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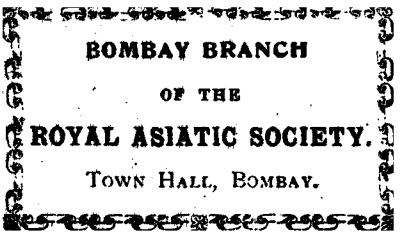

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IMPOSSIBILITY DEMOCRACY

BEING A

SUPPLEMENT TO "THE QUINTESSENCE OF SOCIALISM"

BY

Dr. A. SCHÄFFLE

27085

AUTHORIZED ENGLISH EDITION

RR-d-88

WITH A PREFACE BY

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LONDON

SWAN SONNENSCHEIN & CO.

NEW YORK: CHARLES SCRIBNER'S SONS

1892

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Translated from the Fourth German Edition by
A. C. MORANT.

EDITOR'S PREFACE.

THE arguments and proposals of the present work are more dependent on the peculiarities of German life than were those of the "Quintessence." The English reader will probably feel that in many respects the labour organization referred to is so far inferior to that of England as to vitiate for us the Author's inferences relating to the need of "authority" in trade management, and to the inevitable defects of democracy. In Miss Potter's recent "Co-operative Movement" he will find indications that in England these particular difficulties have been solved *ambulando*. Other analogous ideas will appear to him altogether antiquated. Among these I must particularly designate the importance attached to imputations of materialism, infidelity, and atheism, and also to the defence of certain dogmatic positions, both of which occupy a place in

Dr. Schäffle's contention as unexpected to me as it was unwelcome. We have found by the experience of centuries that these weapons are most readily turned against the best and wisest men, and we no longer employ them in our political and economic warfare.

From such purely speculative questions it is fair to distinguish sharply those matters of principle which affect the details of proposed reforms. I thoroughly assent to the author's conviction that the basis of Socialism is as yet individualistic, the State being regarded not as a society organic to good life, but as a machine subservient to the individual's needs *qua* individual. And further, the author does no injustice by pointing out the serious risks which attach to any fundamental aggression on family unity and on parental responsibility. It is easy in all these matters to confuse the reasonable effort of the public authority to deepen and assist the private sense of duty, with the unreasonable attempt to supersede it. In practice the two movements coincide for a certain distance. Readers must judge for themselves of the attitude of English Socialists to the family and to parental duty. The author's account of

the true purposes and effects of [redacted] public education and the like in this connec[redacted] enforces a much needed distinction.

I could wish that he had not elsewhere endangered this distinction by countenancing the ridiculous fallacy that derives Socialism from the idealism of Hegel. This fallacy rests on the very confusion of which he points out the danger—the confusion between distinct tendencies which bear a certain external resemblance. If, however, this confusion of external tendencies should ever be replaced, as it might be, by a fusion of essential ideas, Socialism would have become a new thing, and would probably show itself in forms analogous to those of the author's Positivism or Social Policy, which ought in fairness to be judged on its merits, and not with reference to his monarchical and other anti-democratic ideas, dictated by the needs of the Continental empire which he had chiefly in mind. (The reader should understand that this "Positivism" has no reference whatever to Comtism.) At present there is hardly any sign that Socialists under[redacted]and the ideas which, in as far as they claim [redacted]cent from Hegel, they profess to inherit.

[redacted]xtent to which the author deals with purely German problems and institutions, has made the task of revision exceedingly difficult. Complete accuracy could not have been secured without a careful study of German labour-organisation and land-tenures. (The account of "propertied labour" will be observed with interest, as indicating an agricultural condition almost unknown to us.) I hope that enough clearness has been attained to render the drift of the argument intelligible. Fortunately some of the most important illustrations are drawn from the experience of English trade's-unions and factory inspection.

BERNARD BOSANQUET.

AUTHOR'S PREFACE.

THE three letters which make up this volume have the same end in view in their present form as when they were first issued. They are intended to prove in the first place, that Social Democracy, as the positive practicable programme of a new order of Society, is once for all impossible, and next, that everything must be done, and not only so, but that the necessary can really be done, in the way of progressive Social Reform, in order to make it not less impossible as a revolutionary force.

The form in which the work is issued, the sequence of ideas, and for the most part the wording also thus remain the same as in the former edition. The circumstances, however, under which this new edition is published, render certain additions indispensable, which do not very materially increase the size of the work, but which are intended to convey more accurate information regarding certain momentous questions of the present and near future. These additions are to be found not so much in the First Letter, which deals with the characteristics of Social Democracy, as in the critique of it in Letter II. and still more in the "positive method of opposing it." (Letter III.)

Between the meteoric appearance and disappearance of the Lassalle School and the enactment of the Exceptional Law in the year 1878, German Social Democracy had adopted in rapid succession two different and mutually exclusive fundamental formulæ. The one, the Eisenach programme of 1869, demanded on the basis of national ownership of all the means of production that each workmen should have secured to him "the full product of his labour" in the counter-value which accrues to him. This was the Collectivism of an accurate apportionment of income and enjoyment according to work performed. But as early as 1875, in the "Gotha" programme, there came to the front the Collectivism of apportionment according to need, on the basis of an equal and universal obligation to work, that is to say, pure Collectivism: for the demand was literally formulated for "universal obligation to work, and the equal right of all to the satisfaction of their reasonable needs!"

If before the abolition of the Exceptional Law there was room for doubt as to whether the "Gotha" programme really expressed the creed of the party, after the cessation of the Socialist Law on the 30th September, 1890, it very soon became a certainty that at this time both the greater and the lesser chiefs under whose leadership the party was firmly arranged, yielded a true adherence to the communist programme, and that Social Democracy would seek to realize this programme as soon as they obtained the power of doing so. This is proved beyond the possibility of doubt by the Social Democratic writings and speeches, which since that time have been once more free to circulate.

It is evident that the communist idea has even been intensified under the influence of the Exceptional Law. Their view of the State, that is, has been sharpened, or I should rather say, blunted into an even more communistic one than before. In Eisenach the "popular State" was to the fore, in Gotha it was still "the free State," at the Congress in Halle (October, 1890), the abolition of every form of State, as a reactionary institution, was held to be the right thing. But from their literature it becomes still more evident that pure communism throughout the whole range of Society, not only in industrial and governmental departments but also in family life, in education, and in the whole life of the people, is at the present time the dominant idea among the leaders of German Social Democracy. There has probably never before been an instance of so comprehensive a revolutionary idea represented by so great, so well-organized, so ably-conducted a party, as Social Democracy became after twelve years of exceptional legislation. The second Chancellor of the German Empire has with good reason declared it to be the greatest danger which threatens the close of the 19th and the opening of the 20th centuries.

The fact of the intellectual sway which communism thus exercises among the Social Democracy has forced me in working up afresh these three letters, first, in the "Characteristics" (Letter I.) to draw more clearly the distinction between the non-communistic Social Democracy of "enjoyment proportioned to performance," and the communistic Social Democracy of "enjoyment proportioned to need," and next in the "Critique" (Letter II.) to deal with communism throughout its whole extent, to regard it

as the negation of the State, of a stable marriage-tie, of private education, and so on, and further to touch also upon the demand for female suffrage and upon what is called "Free Love."

On the other hand, I could not even in this new edition decide to treat communism as the sole expression of the Social Democratic idea, and to regard other programmes earlier set forth and still conceivable as once and for ever set aside. In other countries the communism of Marx has not yet entirely gained the upper hand, and even in Germany there will sooner or later be a recurrence to some of the various forms of Collectivism, based on the apportionment of enjoyment to the performance of work. I have rather preferred to introduce freshly into the critical survey of the Second Letter, even that very mildest form of non-communistic Collectivism which it might, and perhaps one day will assume through the Social Democratic utilisation of the not Social-Democratic ideas of Rodbertus concerning the *Normal Time Day*, the *Normal Work Day, Normal Time, Normal Price of commodities, and Normal Wage.* Both, however, communistic as well as non-communistic Socialism have been more widely sundered than ever from those non-socialistic phenomena of increasing combination in clubs, societies, institutions, municipal and governmental departments which are only a continuation of the existing line of Social advance, since my first edition has been met by certain serious misunderstandings on this subject.

Under the tribulations of exceptional treatment, Social Democracy has become not only more pointedly communistic in principle, but also more practical in its methods of agitation. Finding that the masses are not to be

contented for any length of time with nothing but ideals, it has adopted the second part of the "Gotha" programme and had recourse to the movement for the protection of labour and of wages, and sought to busy itself with the organization for these ends, and to obtain a sway over them. At the Socialist Congress of the Paris Exhibition, it again restored the unity of the international labour party, and it is seeking to exert a dominant influence thereupon. But employers, on the other hand, are beginning to respond with provincial, national, and international employers' unions, while the existing powers of Society, from Emperor and Pope downwards, are strenuously endeavouring to avert the threatening conflagration by Positive Social Reform. This progress of events compels me to work out the Third Letter which deals with Positive Social Reform more fully, to enter more in detail into the subject of the protection of labour, of the national and international organization of both classes in war and in peace of the eight hours question and its prospects, so that the reader may be enabled to follow the whole social and political movement of our time from the standpoint of its latest development. The result will be that even the most alarming phenomena, if the State and the class unions be rightly guided, may work out favourably for national and international, political and social peace. Lastly, this new edition contains one other additional passage in which I have strongly insisted on the necessity for supplementing a Positive Social Policy by a no less positive policy of constitutional reform. Social Democracy owes its political influence to the introduction of universal suffrage, to the now possible procession of the myriad battalions of labour to the ballot box, which Lassalle

foresaw for Germany, and which was set free by the great strategic move against the "*Delegate-project*" of the Diet at Frankfort. Social Democracy is working zealously to win for itself still greater power by the weapon of universal suffrage: it is carrying on a campaign now in the country districts, and has declared war more fiercely than ever against its chief competitor for power by universal suffrage, namely, the Catholic Church. This leads us to consider the existing constitutional system. The only constitutional counter-poise to universal suffrage, the non-payment of members, will hardly prove strong enough, and has considerable inherent objections. The continuing predominance of the property-vote in the Diets and Municipal bodies is already strongly attacked, and affords but little protection against the ever-increasing power of Social Democracy in the Empire. A return to the property qualification in the Empire also is impossible. Thus there will soon come definitely to the front the constitutional question, whether the principal root of the evil is not to be found in the backwardness of constitutional policy, whether the administration alike of parish, of provincial, and of imperial affairs is not susceptible of and indeed crying out for such development as would place substantial barriers in the way of the rising flood of communism, without disturbing universal suffrage, whether next, after dealing with local administration from that standpoint, a constitutional policy might not be adopted with reference to imperial affairs, which would ensure actual progress side by side with a Positive Social Policy, and no relapse into an encroaching tyranny of property. These questions also, which we may expect soon to appear on the political horizon and with

which I hope shortly to deal at greater length in another place, it seemed necessary in an important edition of this work, lightly to touch upon in their bearing on the positive methods of combating Social Democracy, however little immediate prospect there may be of my proposals meeting with anything but aversion or at least coldness and distrust from any party.

In one point the new edition of this work remains true to its former self: it has been careful to refrain from all personal animosity. And this my writings will continue to do even should I have more provocation than I have hitherto had to return evil for evil.

One more addition there is in the shape of a fuller Table of Contents.

THE AUTHOR.

STUTTGART.

TABLE OF CONTENTS.

PAGE

EDITOR'S PREFACE v

AUTHOR'S PREFACE. ix

LETTER I.

CHARACTERISTICS OF SOCIAL DEMOCRACY.

Occasion and delay of these Letters—Reminiscences of the Conceptions of Social Democracy prevailing among Politicians and Statesmen in 1871—The relation which these letters bear to the "*Quintessence of Socialism*"—The wide-reaching possibilities and steady increase of the public organisation of industry—State Socialism—Social Democracy as the extreme of equalizing Individualism, in its relation to Liberalism—The relation of Liberalism, Social Democracy and Anarchism to positive Social Reform (Positivism)—Social Democracy in relation to the State, the Family, Education, Philosophy, and Religion—The idea of the extension of established municipal publicly regulated management of industry and the production of commodities, or the "*Socialism of authority*"—A misconception as to the meaning of authority — Confessions — Anti-Semitism—*Proportional Collectivism*, or collectivism with distribution of goods according to performance of labour, and *communism* or collectivism with distribution of goods in proportion to needs—Predominance of the Communistic programme since 1875—The absence of any ground for Communism in "natural right," and its system of universal appropriation of the surplus value—The method to be followed in the second and third letters 1

LETTER II.

CRITICISM OF SOCIAL DEMOCRACY.

PAGE

I. Social Democracy in the industrial sphere . . . 63

1. Democratic organization of industry—2. The elimination of private property and of the inequality of natural endowments out of the problem of distribution: Formation of Collective Capital—3. Exclusive collectivism in all branches of Production—4. The alleged consequent heightening of the productivity of national labour—5. Distribution of goods exactly in proportion to the product-values of individual labour—6. The approximate proportion between performance of work and share of commodities—7. Distribution according to "reasonable needs"—8. New forms of exploitation which would be attendant on democratic collective production—9. Alleged avoidance of all Crises—10. "Wage-slavery" and popular slavery—Possible regulation of proportional Collectivism according to the "Normal-time" of Rodbertus—Normalizing Socialism—False absolutism of the purely material economic view of Society—Main results of this criticism of the industrial system.

II. Social Democracy in the State 118

The "Popular State" and the "Free State"—The State consisting of the whole people or the "*All-State*" (democratic Panpolity)—Force-exploitation in the Popular State—The over-rating of Universal Suffrage—The Emancipation of Women, and Female Suffrage—Result.

III. Social Democracy in relation to Family Life and Education. 136

The historical steady advance with growing culture from the male and female promiscuity of early Communistic times.

The establishment of the monogamous pair as the basis of desirable movements of population—"Free Love" in relation to the happiness of married life—Popular content—Prostitution.

PAGE

State-Education, the children of the family and the children of the people—Impossibility of personal equality.
Aristocratic tendency of "Free Love"
State-Education unnecessary for democratic collective production.

IV. Social Democracy in relation to Scholarship, Science, and Art in Society 161

V. Social Democracy in relation to Ethics, Metaphysics, the Life of Faith, and the position of Churches 165

VI. Results of the Criticism in respect of true Freedom and Equality 181

The danger of Social Democracy a compulsion towards a positive Social and Constitutional Policy.

LETTER III.

THE POSITIVE METHOD OF COMBATING SOCIAL DEMOCRACY.

I. The Main Task 191

Dangerous nature of Social Democracy as a Revolutionary party—Not to be met with a positive policy in the sense of the old Police-State and Police-Science—Positive Social-reform by Progressive Measures suited to the time.

II. The So-called Solutions of the Social Problem on lines of private right 196

The Rating-Socialism of Rodbertus—Nationalization of the Soil—Universal Productive Association—The Workman Associated with the Master (an extension of Industrial Partnerships)—Negative Results.

PAGE

III. The Positive Social Policy of Interference by means of Public and Private Right within the domain of the State . 210

1. The Encouragement of Universal Organization and banding together, both among Workmen and among Capitalists—The Sound Democracy of this Organization—Considerations adverse to it—Backwardness of Capital in the Work of National and International Organization.

2. Detailed Measures of Positive Industrial Policy . 220

A. The Defence of Production or "Protection of the Workman."—In particular the Eight Hours Day: detailed consideration of this point—The Eight Hours Day and the Normal Labour Day 242

B. The Protection of Income and Household, or the Modification of National Revenue-Processes in the Interests of Productive Labour 275

(*a*) In favour of Propertied Productive Labour, particularly the retention of the peasant-class by Associated Organization of Hypothecated Credit and of the Traffic in Real Property 275

(*b*) In Favour of Non-Propertied Labour—The Furtherance of Organized Wage-Associations—Sliding Scales and Wage-Lists—State-Management an Economic Model—Thrift, Free Saving's Banks, and Compulsory Labour-Insurance—Especial Crusade against Want of Work—Domestic Labour and Household Industry 287

C. Recent Generalization of Private Property in the means of Production 316

D. Positive Industrial Policy outside the Social Life of Private Households 324

Equalizing Policy of Taxation—Process of Equalizing by Benevolence, by Community of Family Possessions—Social Policy in Trade and Tariffs.

3. Non-Industrial Social Policy 339

PAGE

A. By Influencing the Non-Political Ideal Life of the People 338

Family Life—Teaching, Instruction, the Press, Literature—Social Intercourse—Art—Science—Morality —The Church and Religion.

B. By Non-Industrial Reforms in the State itself.

(*a*) No Exceptional Laws 356

(*b*) Creation of a Social and Political Administrative Organization Accompanied by Representative Organs . 358

The Imperial Labour-Office, the Labour-Diet, the Labour-Inspectorate and Labour-Chambers Arbitration Courts, as proposed by Social Democracy . . . 359

The Inducement of Revolution by aid of this Organization 364

The Positive Reform of Social and Political Administration and Representation 370

(*c*) A Constitutional and Political advance in accordance with the needs of the time beyond Universal Suffrage without abolishing the latter, as the keystone of the Combating of Social Democracy.

Detailed proof of this 385

NOTE TO LETTER III.

Bellamy's "Looking Backward," from the year 2000—A glance forward to the year 2000 408

THE IMPOSSIBILITY OF SOCIAL DEMOCRACY.

LETTER I.

THE CHARACTERISTICS OF SOCIAL DEMOCRACY.

STUTTGART, *December* 15, 1884.

HONOURED FRIEND,

I learn from your esteemed letter of the 5th inst. that the recent triumph of Social Democracy at the German elections has had the effect of still further increasing the Socialistic scare in Austria. You, therefore, urge me strongly to comply with your wish, and fulfil the promise I made you in 1878.

I had been at that time engaged in preparing the necessary critical supplement to my "Quintessence of Socialism," and a positive counter-

programme. The "Quintessence" was the direct outcome of the Socialistic victories in the Reichstag elections of 1874. It is the positive critical supplement for which you are now asking, and which you propose should be given in the form of correspondence. At the same time, you express your wish that I should dispel once and for all certain dishonouring personal accusations and suspicions which have been notorious of late.

Allow me first to state that my undertaking of 1878 would have been long ago fulfilled, had not the German Socialist Bill of that year followed closely on the heels of my promise.

Books, as the Latin proverb says, have odd destinies. In 1878 my "Quintessence" stood for two whole days in the index of the "Ausnahme-gesetz" (exceptional law.) Had I at once carried out my intention, and plunged into the fray against Social Democracy, it would have been said of me *laudabiliter se subjecit.* This I could not wish. Not only should I have thus procured an unmerited success for Herr von Quadt, a member of the administration at Oppeln, who proscribed me in the eyes of the educated portion of society, but I should also

—and this it was which influenced me—have imperilled the success of my "positive critical supplement." To lull people with the consolations of presumptuous ignorance such as the "Quintessence" had successfully cut short, and to put to sleep those very strata whose awakening was in question, was what I could not contemplate. Nay, I rather carried on more vigorously than ever in volume III. of my "Structure and Life of the Social Organism," just then passing through the press, my polemic against the tinkering methods of Liberal economic policy, although it would have been an easy matter to soften down the work *in usum Delphini*, so as to be unobjectionable, to suit the prevailing tendencies of the moment.

In yet another direction I was thwarted at that time by the German Socialist Legislation. It had the effect of a muzzling order: it bound down the Social Democracy so fast, when strictly enforced, that it could not even rattle its chain, still less bark or bite or repulse an attack —greatly to the profit of the "Freisinnige," who immediately proceeded to bark and try to bite more vigorously than before. It is not my way, however, to fall upon an opponent the moment

the gag is on his mouth: neither is it yours, for you agreed that I should postpone my attack.

Now, however, the position of affairs is altered. Not only has the grass long since grown for me personally over the traces of von Quadt's ill-will, but the Social Democracy itself is once more upon the rostrum, as it was before the Socialist legislation. Outside the Reichstag it is allowed a longer chain to rattle, once more it preaches in a tone confident of victory "the alteration of the whole system." The aim and end of the "Quintessence" (Part I.) is attained. The world knows now from many other sources what Social Democracy means. But what the world even yet does not by any means know, is how this Socialism is to be met and combated, both critically and practically. A comprehensive criticism of the entire Social Democratic programme, grappling with it along the whole line in a spirit of positive reform, is not only permissible but necessary, not only opportune, but urgent. It is, therefore, with great willingness that I accede to your request.

This is not the first time that we have exchanged opinions on the subject. Do you still remember the many pleasant hours we

spent together as early as the year 1871, in the evenings after days full of toil and struggle, reading the international police reports upon the Paris Commune, and wondering at the dish which was to be served up to an "*International of Governments*"? Many a time in those days were we moved to laughter by the ignorance, overstepping all bounds, which was then displayed by police and diplomats, as to the real essence of Socialism and as to the methods of combating it. To-day we can confess to each other with some satisfaction that in opposing exceptional legislation against the "black and red internationals" in those now distant days, and in predicting its utter failure, we were somewhat more far-seeing than our most influential Austrian opponents, and even than the Liberal journalists and the statesmen and councillors who had the drawing up of the Government programme.

Why do I recall these memories? Now again I am in the position of steering against the stream of current opinion, which is notoriously a thankless one to fill. For I not only do not share the terror of your friends at the Red Spectre, I go further, and maintain that Social

Democracy has no chance of success, no prospect of attainment. And this it is incumbent on me to prove, if I am to fulfil the request you have made to me. I was neither taken by surprise, nor in any degree alarmed, by the recent Socialist successes at the elections.

For what do these victories prove? That some hundred thousands of electors are not satisfied, which of course is in itself a matter worthy of every consideration: that these same electors have ceased to expect anything from Liberalism and the Middle Class Democracy; that the active fight against Socialism by positive methods having but lately begun, its effects are not yet perceptible; that the "muzzling legislation" has had the effect of hindering the internal process of dismemberment and decomposition which is nevertheless steadily and inevitably proceeding in the frame of Social Democracy.

This is all which these victories prove. Be ready cheerfully to admit more and more Social Democrats into the Reichstag, there to be compelled to unfold piece by piece the positive programme, which they still shun disclosing — then and only then will there

no longer be any serious danger to fear. The complete and methodical contest with Socialism will then become necessary, both in the social-economic and in the politico-constitutional sphere, and the Social Democratic principle will be driven out of the field, even among the proletariat itself. It will always be necessary, indeed, to guard against riots and revolutionary attempts; but a positive and lasting triumph of Social Democracy in its most essential features of entire abolition of private property in the means of production, and the introduction of Democratic collective production, I hold to be more than ever impossible.

Nevertheless, I will accede to your request. I can even promise you more than you demand. In the "Quintessence," Socialism is dealt with only in so far as its claims and consequences would affect the industrial system: prudence imposed this limitation. But it is in reality, as Herr Bebel says, an entire world philosophy (Weltanschauung). In Religion, it means Atheism; in the State, a Democratic Republic; in Industry, a Democratic Collectivism; and, may one not add, in Ethics, a measureless Optimism; in Metaphysics, a naturalistic

Materialism; in the home an almost entire loosening of family ties and of the marriage bond, state-education in schools, and universal enlightenment (so-called!) in instruction. The whole is called Freedom and Equality, with especial emphasis on the latter. Any criticism of Socialism, therefore, and any real attempt to contest it, must be made all along the line of its world-philosophy, in order to gain an intellectual victory over it. With your sanction I shall now endeavour to accomplish this in the ensuing letters to you. Still I hope that for this I shall not have to take up more space than I required in the "Quintessence" for the analysis of Industrial Social Democracy. For its refutation on the industrial side is still and will be the main point, and of most immediate importance.

At what point shall I first approach the subject? On its various claims and conclusions in detail, on the minutiæ of its world-transforming Social Organization, even on the means and methods of the transition, Social Democracy has not yet definitely pronounced. I suspect that this reticence proceeds not only from reasons of policy, but also from the

absence of any detailed programme worked out and raised to the dignity of a party-creed. Its strong point, and—be it openly confessed—its highest merit, lies in criticism, a criticism directed mainly against the Political Individualism which is known as Liberalism, and the Economic Individualism which goes by the name of Capitalism. If it were once committed to definite statements we should no doubt come upon a mass of contradictions and differences of interpretation among its leaders, a flood of palpable absurdities and foolish Utopias. Social Democracy will no doubt long continue to keep its real practical programme in the background, and to cover its silence with the "Exceptional Legislation."

There is no denying, however, that in its general programmes of 1869 and 1875 Social Democracy has made one thing clear: it bodes the destruction of private property in the means of production, and the "alteration of the entire system." The indications of this in Socialist literature are so clear that we have no choice but to place these fundamental points of the programme of revolutionary Socialism, as explained in the "Quintessence," at the basis of

the whole discussion—with the proviso of course that we are honestly open to correction. The only thinkable and therefore arguable social conception of the "Labour Party" is "Democratic Collectivism." I will, therefore, adopt your proposal, and take Collectivism for the starting point of our discussion, as being the most direct way into the heart of the matter.

To quote the "Quintessence" once more: Collectivism means that there shall be no more private ownership or private right of bequest in the means of production (the destruction of private capital, or *Capital*, in the sense in which Socialists use the word): it means the introduction of common or collective property in the instruments of production; on the basis of this collective property a machinery of production, forming a single system, carried on by public corporate bodies, communal groups and systems of groups: State organization also of the distribution of what remains to be divided out of the collective output after the satisfaction of the public requirements, the distribution to be made, according to the promise of the Eisenach programme in proportion to the share of work contributed by

each individual, but according to the strict Communists, with their peculiar craze for equality, either equally to all or merely according to individual needs; all this, together with pure popular sovereignty both in the industrial sphere and in the State. To realize such demands as these, it is evident that the present constitution of society, with its basis of private property, would have to be entirely changed. It would involve the abolition of all relationships of private service (the present "hire" or "wage-system") as well as of all private dealing in commodities, in services, and in the use of commodities. This would mean the cessation of trades, of markets, the currency, credit, the abolition of all kinds of interest and rent, and the introduction of a system of public payment of work as the sole form of income. The Anarchists desire all these fine things also, only "without Government," which, in their idea, would always involve exploitation. Some so-called Mutualists depend for everything on a "brotherly reciprocity" proceeding freely from the common sense of right. Both are consistent but confused, they desire the end without the only possible means.

The only thinkable form of Collectivism is and will remain, at least until some new development arises, the Social Democratic ideal with its centralized organization, based on popular sovereignty, of a universal and exclusively collective system of production.

This last is in fact an essential point. The collective production of Social Democracy must be universal and exclusive. Otherwise there would not only be still some portion remaining of the present capitalist system, but, further, any dealings with this remnant would expose that portion of labour, both in production and distribution, which was already collectively organized, to the danger of "exploitation." Neither could there be a partial adoption of the plan of rewarding each workman according to his share in the social labour. Hence, collective production must be universal, or all would be in vain. A system of competing productive societies would be simply a new form of capitalistic production entering into competition with industrial societies and other forms of private enterprise, in order to exploit others or be exploited by them. A productive society could only be socialistic if it formed a

part of a uniform system of collective production. A positive Social Policy, therefore, can only desire that free productive societies should become sufficiently developed to provide scope for workmen of a heightened self-esteem; but never, even when supplemented by cheap rates of interest, or by state credit, can they become the universal means of establishing "the freedom and equality of all," as my third letter will shew.

One cannot be too careful to avoid calling any and every development of the public management of industrial or social functions *Socialism;* in other words, confusing Social Democracy with systems of public management. The collectivism of Social Democracy means the centralization of *all* production on a democratic footing, with the object of attaining an equal or at least a proportionate share of labour and enjoyment for all, this system to be adopted exclusively, universally, and simultaneously everywhere, all traces of the wage-system having disappeared. The development of collective management with the object of best realizing certain definite common ends under a sufficiently stable and authoritative

guidance is not Social Democracy: not even should such collective management be established by states, by parishes, or by municipal corporations for isolated branches of production. Such collective management stands directly opposed to the "music of the future" of pure collectivism. It has already existed from the earliest times, and its growth is continually increasing. The social economy has for a long time contained within its limits not only private enterprises working for private gain, but also mutual and associated enterprises resting on solidarity of interests—associations for purposes of common benefit, private and endowed benevolent institutions; and finally—and this is most to the point—important state enterprises, local and municipal undertakings, and public industrial works. It may come to pass that the State or the local authorities will establish still more intimate relations with this or that branch of production, that entirely new forms of service, of income, and of money relations will be set up of which we have at present no conception, and which will gradually weld together the workers into an entirely new kind of national organization. If

this should be done in order to introduce public production up to the point at which it is most compatible with the common interests affecting all, and the private interests of producers likewise, there would still be no question of Socialism, in the strict sense in which the word Social Democracy is used to-day. Capitalistic production would maintain its rights, just in so far as it was best calculated to serve the interests of all in the production, circulation, and distribution of commodities within the limits of private ownership. There would be no intention of organizing a collective system of production and distribution, still less of placing everything on a purely democratic basis, and least of all of shaping the whole collective production and distribution after one and the same pattern, in the endeavour to ensure an equal enjoyment of the results to all private individuals. The essence of Social Democracy is *not* in some degree of collective or state industry, nor even in more or less production of commodities under government supervision; it is an exclusive and universal system of collective production and distribution of commodities entirely superseding the capitalistic system, and thus also the wage system, in

the interests of the individual freedom and equality of all, even of the proletariat, with a Democratic form of government—in short, purely Democratic Collectivism.

A strictly State-organised system of production without a Democratic *régime* is conceivable, perhaps even a probable development, at some very far distant time. But it is inconceivable and impossible for all time that a full blown system of collective production should be suddenly introduced in the supposed interests of unlimited freedom and the radical equality of all individuals. The kernel of the genuine historical Socialism, the Socialism which is now exciting the world, is just this levelling down of the whole face of society after the pattern of a universal collectivism established in the name of liberty and equality, especially the latter, and in the supposed interests of the self-styled proletariat. The so-called positive social policy, and the positive State-organization of industry, is very far removed from this. However antagonistic to capital the processes of industry may become, the State could only take over a limited portion of the whole of production, and that by

slow degrees, and only so far as capitalistic production became incompetent or injurious, to say nothing of the fact that no constructive domestic policy is likely to arise out of a half Atheist half Republican system of world philosophy. I propose, therefore, that for the purposes of this correspondence we should entirely drop the term Socialism in reference to the constructive policy of social reform and State organization of industry, which is known as "*State Socialism*" or "*Socialism of the Chair*," and reserve it exclusively for the revolutionary Socialism, which, as I have said, involves an absolute and purely democratic Collectivism in industry, a popular Republicanism in government, the Materialism of a superficial science in philosophy and metaphysics, a world reforming Optimism in ethics, and a pure Atheism in religion. In this sense we may regard "Socialism," "Communism," "Social Democracy," "Anarchism," Mutualism," and other such, as essentially kindred growths, opposed not only to Liberalism but also, and still more, to any constructive policy of social reform. This last leaves play to every form of organization, each according to its relative merits, in the indissoluble

interests of the whole and of all its parts. It does not, therefore, exclude the capitalistic system of production, but merely subjects it to certain limitations and restrictions, under which the impulse of acquisition may, even unconsciously to itself, direct the whole sphere of private production in the real interest of the whole of Society.

The contrast between Social Democracy and any positive policy of social reform stands out most clearly when once we have really grasped its kinship with Liberalism (Capitalism), as well as its antagonism to it.

Socialism appears at first sight to be in direct opposition to Liberalism. And it is so far true that it has known how to expose the one-sided views and the weak points of Liberalism as searchingly and as relentlessly as Liberalism itself once laid bare and shattered the edifice of Feudalism and of Absolutism. Both Liberalism and Socialism are offspring of the same spirit, the spirit of Individualism and free criticism, a pair of Siamese twins, victorious when opposed to the Positivism[1] of a worn-out age, but incomplete and impotent before the Positivism[1] of a newer time. The Positivism[1]

[1] See Preface.

which animates the more timely social reforms of to-day has aims widely different from either, and springs from quite another spirit. By the help both of the critical conquests of Liberalism over Feudalism and Absolutism, and the critical conquests of Socialism over Liberalism, it endeavours to achieve the highest possible degree of freedom and equality by the realization and furtherance of the newest standard of justice, for whose sun, moreover, there is no valley of Ajalon. It declares capital to be serviceable to the public interest, and does not seek to make away with it. It bespeaks for the wage-labourer, even under the system of private service, the standing and the remuneration of a professional servant of society: it puts a check on the unlimited freedom of exploitation on the part of the superior power of capital: it fearlessly introduces state-organization there and there only, where the private system has been proved impossible, injurious or incompetent. Socialism, on the other hand, demands a democratic state-production pure and simple in the interests of universal freedom and equality of all, even the proletariat. As little labour as possible, with opportunities of

study and recreation for all: the equal distribution of all arduous and unavoidable work: the three hours' day, and all to take their turn at boot cleaning! Therewith as much enjoyment as possible, but equal enjoyment for all: either no champagne at all, or an equal share for everybody. A minimum of Government (so says Anarchism) or else an equal share in it for all, with the ultimate absolute sovereignty of the electors. This is not the recognition of the society as well as the individual, to the mutual advantage of the whole and of each member as part of the whole. Here the society exists only as a means towards the absolute freedom and equality of all. It is still at bottom (and more even than among Liberals) the extreme of Individualism—Individualism in universal realization, and intensified by the envious fancy of the proletariat.

It was inevitable that this extreme Socialistic Individualism should take shape; it is a legitimate and even necessary outgrowth of "subjective criticism." It is true that many Liberals held most sincerely the belief that for Germany *political* freedom and equality were attained in 1848, and *economic* by the Liberal

legislation up to 1879, and that now as a matter of fact the best possible social system had been introduced. But it was only that Liberal Individualism was then standing at the zenith of a one-sided development and a boundlessly self-satisfied optimism. Freedom and equality for *all* were not attained, but only freedom and equality for the possessors of great wealth, high culture, and distinguished descent. But the world was to become happy—so Liberalism itself had promised in the days when it was revolutionary and still unsatisfied—in the universal freedom and equality of all individuals: now the universalization and equality of pleasure, enjoyment, and influence for all, even for the proletariat, were found wanting. This extreme but quite logical movement away from purely Liberal Individualism resulted in the Communist or Socialist Individualism, having for maxim the distribution of well-being in equal shares, or at least in proportion to the performance of work (no more "bills drawn on heaven"), and a purely democratic free government of all by all.

It is merely a pretence when Collectivism poses as an entire reversal of Liberalism and

contrast to it. So long as his aim is to secure freedom and equal well-being for all, the practical Collectivist, of course, cannot do without a society, a state, but he too utilizes it merely as a means for the benefit of the individuals which compose it. Collectivism, in spite of its leanings towards State-Absolutism, still remains deeply pledged to Individualism. Like Liberalism, it is penetrated through and through with that subjective view of things which characterised the decline of the critical age that preceded the very latest epoch of thought. The two are hostile to each other, it is true, but who does not know from of old many such hostile brothers, unamiable to each other, the elder haughty, the younger envious and churlish, and yet unable to get loose from each other? Liberalism and Collectivism are just such hostile brothers, born of the general reasoned revolt of the individual against the positive social order of the Middle Ages and of Absolutism, become untenable. They are always in the negative, but against their will and by their very faults they bring positive good to pass, preparing the way for a new positive conception of society, and gradually, as it were, forcing it to the front. Collectivism,

the spirit which in the negative always elicits the positive and the good, is still mere negation, though in the several interests of all, not of the favoured few, and has its abiding foundation in Individualism; its stronghold is criticism, and its opposite is not Liberalism. The true contrast and irresistible opponent alike of Liberalism and Collectivism is "Positivism," not that old and obsolete order championed by reactionaries and by old-fashioned Conservatives which the tide of history has swept over and left behind, but that Positivism which in creed, custom, law, and industry leads to new positive developments of the existing social organism to meet the needs of the time, without infringing, for the sake of the community at large, any legitimate individual rights or liberties. Where you find within the immediate range of discussion some positive reconstruction of society, some positive social and industrial programme, there you breathe the spirit of this new Positivism. Social Democracy has it not, though one of its leaders maintains the contrary. The positive spirit of social reform has not the Social Democrats on its side: but only because it does not

want them, and means to get rid of them. The Positivism of social and industrial reform would purify, but not destroy the capitalistic system of production. It places the capitalistic hemisphere of the organized industrial world again in the service of the common well-being, and under the conditions necessary to secure the relative prosperity of the wage labourer.

Liberalism and Socialism, therefore, stand nearer to each other in the strife of parties than either to the Positivism of the old time (if this still survives), or to the new Positivism of to-day, which is bound up with all constructive social and industrial reform. They both, Liberalism and Collectivism, fight under the same banner, even when it comes to the elections: for both embody the reasoned resistance which exists more or less in every individual according to his circumstances against antiquated institutions which cramp and fetter him. Both are thus essentially hostile to a social policy whose aim is to foster, protect, and develop the life of the community through that of its parts, and the life of the parts through that of the community, and to form an organic union between freedom and order, individual activity and aid from

institutions, public organization and private enterprise, independence side by side with mutuality. Such a Positivism is equally inconvenient to extreme Liberalism and to Collectivism: it is too far-reaching and too radical for the former, too partial, too conservative, and too obstructive for the latter. Neither can understand an entirely new and, in the best sense of the word, progressive Positivism, for they both start from the same fundamentally false premisses. Neither of them dare try to comprehend it lest it should drive them out of the field altogether.

Some light is thrown on the nature of Social Democracy by the consideration of its extremest off-shoot, Anarchism. This school demands entire equality, but also entire freedom, hence the abolition of all governing authority: from this view its name is derived. The freedom and equality of all, the purest and most universal individualism, this is not possible under the rule of any government, therefore let us do without government altogether: freedom pure and simple, entire equality for all, this and this only is what we need! This is the *practically* absurd, but *theoretically* quite logical

ultimate outcome of "pure" Social Democracy. Of course the critical thinkers of the Social Democracy protest against the absurdities of Anarchism. Only from all their protests it does not appear that it will be possible to cry halt at Social Democracy. On the contrary, it appears that the pure Individualism of freedom and equality, whether it takes the form of an aristocratic Liberalism or of a proletarian Collectivism, whether as Social Democracy, or as Anarchism, has wandered far into that labyrinth from which there is no ultimate issue save into stark staring madness and such freedom and equality as would result from the war of all against all.

Liberalism has secured for the new age the indefeasible truth, that more active individual freedom may prove fruitful of immense benefit to the whole.

It has only omitted first to work out thoroughly and then to actualize those conditions of the new order of things under which freedom is fruitful and beneficent, without being destructive or lending itself to exploitation. *Freedom, economic as well as political, need not be opposed or done away with, but it must be*

made to serve the general interest of the whole of society. Unbounded Individualism, in the form of Liberalism, of so-called Capitalism, lacks this positive insight. Had Social Democracy merely supplemented it in this respect, it would have been not what it is, but Positivism, the fertile spirit of constructive reform. As it was it plunged headlong into criticism, demanding in the name of equal freedom, equal right to enjoyment, and equal political status for all, the entire abolition of private capital, the introduction of exclusive collective production under a purely democratic *régime*, all existing authority having been set aside. It would have no assisting the individual by means of the state through industrial legislation, protection of labour, and free or compulsory reciprocity: no, it would cut short at a blow the whole historic continuity of Social development, it would dash to pieces the whole liberal capitalistic system to clear the ground for an extreme and unmitigated Individualism. For Liberalism, as Lassalle remarks, the State is the "night watchman" who guards the money-bags. But for the Social Democrats no less, the state is only a means to an end. The

popular state is to have no value whatever as an historical organic whole, the parts, whether races, classes, societies, corporate bodies, families, or individuals, being welded together by a universal sentiment of corporate loyalty and professional fidelity. It is to be nothing but a piece of mechanism, a vast machinery which claims to be fitted to evolve universal freedom, and the greatest amount, and most equal distribution, of individual enjoyment. The irony of fate has willed, it is true, that from the extreme summit of Collectivism the individualist principle should take the fatal leap into projects of objective Social organization. But, even so, Collectivism retains as its essence, Individualism, twin-brother of Liberalism. It makes its plunge into community by hatching new communistic forms which are not only without roots in the past but are positively unmanageable and unworkable, being formed on the sole principle of freedom and equality of all. It is merely suicidal for its leaders to attempt to give up this extreme standpoint of equality: they cannot do so without being at once dubbed "clericals," "servants of the aristocracy," and running the risk of seeing the mass of their

followers fall into the arms of Social Reform, and the envious and discontented folk among them taking refuge with that Anarchism, which is already practising in the Liberal counting houses in order to let off the final explosion under the benches of the Socialistic Gironde. The Social Democrats in the German Reichstag did not venture so far as to give their vote for the Explosives Bill; but, if I remember rightly, they refrained from the division.

The Social Democrat has no feeling for his own country above and beyond all other countries, nor for his country as a whole above and beyond the individuals which compose it. Not only so, but he attaches no value to the nation as the abiding unit in the passing flow of separate individual existences: he regards *it*, on the contrary, as merely a medium for *them*. Social Democracy is, therefore, the extreme of individualism, even as the very antipodes of Chauvinism and the fanaticism of nationality. It calls itself by preference, international, human, cosmopolitan. But here again it does not prize humanity as in itself a significant imperishable whole. Merely as a means of attaining equal happiness for every creature

"that wears the human face," it emphasizes the removal of international restraints, and the dream of "eternal peace." Humanity, for it, means the entire mass of human individuals, not an organic combination of peoples. Thus, even in its cosmopolitanism, Social Democracy is an intensified Individualism.

In its attempts at reforming the relationships of the family, Social Democracy represents again the extremest Individualism. The more thorough-going approve free love and equal sexual gratification for all. I must not, however, lay free love at the door of the large majority of the party. Yet even they call for freedom of divorce and a prevailing system of public education, the former in the name of freedom, the latter for the sake of equality for all. Where and in so far as these ideas prevail, you have again the extreme of Individualism. A social relation which in the interests of society should be stable is to be treated slightingly and even loosened, so that it may be possible for every momentary caprice of the individual to sever a bond in which a moment is enough to forge life-long responsibilities and obligations towards the generations to come.

The Social Democrat is in political persuasion a Republican and Democrat, he would have every man a possible President. Here again, the question of the best constitution of the governing organ is subordinated to political Individualism.

In the State, and even also in the appointment of the managing directors and leaders of industrial businesses, he demands universal suffrage pure and simple. Everywhere the magistrates are to be mere delegates, to carry out the decisions of majorities in local provincial and national *Labour Chambers*, from whom they are to receive their salaries, and upon whom they will be entirely dependent. He denies the necessity for supplying representatives, other than those elected by universal suffrage, representatives that should be removable at the discretion of the public corporation, according to the most modern method of constituting them. The pure, unadulterated Individualism of the so-called will of the masses—say rather of the majority—is and must be the unalterable constitutional principle of Democratic Socialism, both in the political and in the industrial sphere.

Lastly, I cannot disguise the fact that even in its religious and general philosophic views Social Democracy ranges itself as an advance on religious Liberalism, as, in fact, the extreme outpost of Individualism, of so-called Rationalism, Subjectivism, Criticism.

Its philosophy is in reality the offspring of the subjective speculation of Hegel. Three important Socialists were followers of this philosopher's school, Marx, Lassalle, and Proudhon. Even a superficial[1] acquaintance with Hegel's teachings makes it clear that his system of philosophy lends itself very readily to Socialism. Hegelianism, with its dialectical spinning out of phenomena from the logical categories of human reason, its so-called "Speculative Panlogism," is at once restlessly analytic and arbitrarily synthetic in its conception of the universe. This is exactly what Socialism needs: searching analysis and violent reconstruction according to subjective impressions at the sovereign will of the individual reason. The spirit of this philosophy is the very spirit of Social Democratic Collectivism.

Ed.—Just so!

But the grass has long grown upon the grave of Hegelianism, as of the whole range of speculative philosophy. Its contradictions, its arrogance, its conception of the human mind as the mirror of the universe out of whose images and reflections the sum of all things may be made up, all this, all in fact that is characteristic of "speculative philosophy," has been for ever overthrown and set aside. But, for all this, it has done much to aid Socialism, and intellectually to pave the way for it.

Much the same is true of Pessimism. It needed only the first shock of disappointment on the discovery that Liberalism, even at the height of its triumph, could not avail to make the world perfect, a discovery made towards the close of the sixties, in order to introduce an invasion of Pessimism into the Liberal world, Pessimism which leaves us no good thing in creation. Through the brilliant genius of Schopenhauer and of Hartmann, the cultivated world was given up to a philosophy of sick headache. For not only is the world, according to them, unutterably bad, as miserable as Dante's hell, but also its badness is quite irremediable. "To redeem the world, destroy

it"—a redemption which these pessimistic gentlemen fortunately could not accomplish, even if they all committed suicide at once. Thus, Liberal Optimism was converted into its very opposite—Pessimism. It was after all for the sake of individual wretchedness that the whole world needed to be destroyed. This Pessimistic Subjectivism, therefore, brought grist to the Social Democratic mill. The world, including the social world, is irretrievably bad, says the Social Democrat in his advanced criticism of the existing liberal capitalistic order. Thus have the Pessimists prepared the way for the Socialist line of criticism.

Socialists themselves cannot of course be Pessimists, they have rather become Atheists, Materialists, Optimists. If the world is not only bad to-day, but must be so for ever, if it is in fact irremediable, then no one can regard the Socialist scheme of reformation as anything but a swindle. It is only the Liberal Capitalism of to-day, and the Feudalism of a bye-gone day, which the Socialists hold to be irretrievably bad. Only in their criticism of the Liberal epoch are they Pessimists of the deepest dye.

Having announced that their "Social State" is to be the realization of the best of all possible worlds, the Socialists must in future hold to a philosophy which decrees that all that is known as "the world beyond," the metaphysical background of the good and the evil, is non-existent, and which seeks to obtain the best, or at any rate the best attainable, in this world, without believing in God or finding him at all necessary.

From the point of view of religion, this means *Atheism*, which simply says "God is not." As a philosophy it is the metaphysic of scientists, kicking over the traces of "exactness," viz., Materialism or Naturalism, the "force and matter" philosophy which prevails most widely just in those quarters where Social Democracy finds its recruits. That form of Materialism, too, which finds in equal external enjoyment for all the centre of the world's happiness, is peculiarly at home in the domain of this school of philosophy. With it, and with it only, it is possible to maintain the belief in and the demand for the ideal industrial state, however indefinitely postponed, which Socialism has always in reserve, thanks to a complete ignoring of history and science, and a most unpsychological

handling of the problem of happiness. To render their own constant reference to the State of the future acceptable to the proletariat, they cry down all "bills drawn on heaven," and of course equally on hell. Not only is the conscious subject apart from God, as the Deists maintain, but God is non-existent. The world, and we ourselves in the world, must get on as best we may with the sole help of the triumphs of "science." Thus without fear and without remorse they shatter in a thousand pieces the product of the ages, the liberal capitalistic world-order. As a Social Democrat, a man *must* reason thus, but it is only as a Naturalistic Materialist that he *can* so reason.

This is the strict fundamental essence of Social Democracy, when stripped of all trappings and adornments. It is through and through an Individualism driven to the extremest point, but it is a necessary product of the times.

In the course of drawing out its characteristic features, I have already given a refutation to the "notorious calumnies" with which you, Dear Friend, acquainted me immediately after the publication of the "Quintessence" and which rose to more serious proportions after the

appearance of the third volume of "Structure and Life of the Social Organism."

I am not really bound to touch upon this subject, for you know well how unfairly I was treated in Austria, when, in 1870, I acceded to similar demands. But I will do it at your request.

The wish had been expressed, you said in your letter, that I had first of all plainly demonstrated the impossibility of State-production. I deliberately, and of set purpose, did exactly the reverse. I have shown that a more or less collective (State) system of production was in itself possible, if in its constitution a sufficiently strong directing authority could be coupled with a sufficiently vivid interest in the result of industry on the part of all wage-receiving individuals to ensure productivity: and I maintain, in spite of all the common asseverations to the contrary, that this is by no means inconceivable, but has even been already attempted in the existing social state of to-day. But what *is* impossible for all time is an improvised democratic and exclusively collective production without firm hands to govern it, and without immediate individual responsibility, or material interests on the part of the participators,

which is what the Collectivists desire, and what alone can tickle the fancy of that Individualism of the proletariat whose watchwords are Freedom and Equality.

If I had proved too much, I should only have committed the same fault as the Liberals and the Socialists. I should have thrown away the wheat with the chaff—associated, or corporative, or municipal, or state-industry with Socialism, and though I might have provoked a louder outcry from the Socialists, I should certainly not have convinced or prevailed against them. Anyone who wishes to strike a blow at Social Democracy must demonstrate the impossibility and futility of this very Collectivism divorced from authority, and intensified to the point of an exclusive Democratic Individualism with freedom and equality for all, and he must clearly recognize how very far removed this is from the positive industrial state and the policy of Social Reform, to which undoubted place in the future must be allowed. I therefore rather take credit to myself, for having in all my writings hitherto relentlessly, and with a certain satisfaction, exposed and destroyed all those evasions and idle sources of consolation which Liberals

oppose to Socialism without waiting for the Social Democrats to do this work in their own way.

There is one gross misunderstanding from which I must, however, make sure of guarding myself, when I say that public non-capitalistic industrial systems may long hold their own, and are already holding their own, and that even public production under firm "authoritative management" may perhaps in the future prevail to a far greater extent than hitherto. Some have objected to this "authoritative guidance." But I do not mean by this, management by State officials: I do not by any means contemplate the bureaucratizing and "nationalization" of industry. The State of the future, whatsoever form it may take, will only interfere through the constant furthering, protecting, and regulating power of the will and force of the whole community over the play of private, associated, and corporative action and inter-action. The public part of productive industry could, and must with the exception of a few central works, be carried on separately, by corporative bodies and institutions, which would under State supervision, and in accordance

with law, carry on their current service in the main independently. By a firm authoritative guidance, I therefore mean, a constitution which makes it possible *to appoint and maintain efficient organs of administration and control of business, secured from constant danger of overthrow at the hands of the majority of workmen employed. Election nomination* and *ratification*—this last always by the official standing next above in the industrial hierarchy, according as the needs of the time and the character of the individual business would seem to suggest—would probably, working together, produce the right kind of management for such corporate institutions: management which would guarantee order without destroying freedom, and which would in fact hold sway, outside the limits of the central State-administrations, over the public portion of the industrial sphere, with as much relative independence as academic senates, college authorities and learned bodies enjoy at present over the public portion of the scientific, educational, and religious world. In the third volume of my "Structure and Life of the Social Organism," I have already in this connexion pronounced in favour of some such constitution

of authority, according to the latest needs of our time. (1)

And now I have a few words still to add in my own defence.

The anguish of my Conservative friends who you say have lodged such complaints against me does not surprise me. It was laid upon me to write, and I wrote: not for the benefit of those unthinking easy-going gentlemen, but against the errors of the time, not for the obsolete Positivism of old-fashioned Conservatives, but against the extreme Individualism alike of Liberals and Social Democrats, and in the positive spirit of Social Reform which belongs to our more highly-developed age. It could only be from mental indolence or from ill-will that such mistaken ideas could arise about me as are referred to in your letter. I have always been, and still am, by persuasion a Theist, and as such neither Optimist nor Pessimist. In politics, as regards the best constitution for great and ancient cultivated nations, I am

(1) This paragraph has been inserted in the new edition, in order to set right certain misunderstandings which have arisen among eminent foreign men of letters, with reference to my use of the word "*authoritative*," in the earlier editions of this work.

a Monarchist, as long as there remains any possible or capable dynasty to maintain or to re-engraft. With respect to the family, I am the very antipodes of the Free-thinkers, and most willingly come under Herr Bebel's condemnation as "immoral," because I make a firm stand for the stability of the marriage tie as against the vagaries of individual caprice. The unlimited freedom and equality of Individualism I combated most strongly in some of my earliest writings, now nearly 30 years ago, while at the same time I unfalteringly held that freedom for each to work for the whole, in the calling best suited to him, and equality for all in the sense of the due proportion between work accomplished *for* the whole, and reward received *from* the whole, must be the principles by which alone the profits of capital, as well as the wage-system, find at once their justification and their limitation.

Since the year 1856, as is shewn by the volume of my "Collected Works" which appeared not long ago, I have been a Positivist in matters of Social Science, a Positivist, not in the sense of Auguste Comte, but in the sense in which I have used the word in this letter. To

the Liberal Economists, who would have everything free, I even then opposed the relative superiority of a positive state-economy, social and industrial policy, and the necessity of associated national reciprocal assurance. Recent developments have completely justified me in many important respects. For the last thirty years or more, as a systematic teacher of political economy, I have defended with complete success, as against the exclusive and unlimited private organization of the national industry, the fact, nay, the necessity of the existence side by side, and the harmonious interworking of corporate with private systems of management, of mutual with endowed societies, (works of benevolence.) And this view has prevailed. To-day I am more than ever convinced that it is this view alone which can serve as a foundation for the superstructure of a true popular state and industrial policy.

Thus I have at once justified and strictly limited the domain of private capital as the social organ of production, as an organ, that is, which by right of possession and fitness must continue to hold the management of those branches of business, which, in the interests of

society itself, can be better and more efficiently managed on a private basis than by associated or endowed ("*caritative*," (1) to use A. Wagner's expression) or reciprocal (joint-stock) enterprises: as an organ, of course, which must submit to the conditions imposed by the continued existence and welfare of the whole, including the wage-labourer, and must even give way—subject to indemnification—to the associated organizations of reciprocal and benevolent institutions, or it may be share the field with them, in so far as these non-private forms of organization are proved to be the more advantageous in the interests of the whole.

How far the one or the other form of organization is to be allowed to go, is a question which cannot by any means be answered, at least until the lapse of another generation. For the present and near future, as far as Germany only is concerned, I had in view, in addition to the astonishing number of public societies and mutual benefit associations which the past centuries have set going and bequeathed to us, only the great systems of railway com-

(1) "Karitativ" *i.e.*, I presume, on a benevolent footing, whether the funds are derived from charity or from the State.

munication; then, in the interests of taxation, the large license-system for the manufacture and monopoly of sale of tobacco, and lastly, the universal system of insurance against sickness, old age, and lack of employment. To-day it seems to me probable that the great national banks are also in process of becoming state-institutions. It is possible, even probable, that electricity, heating, lighting, and locomotion, are all going forward more or less rapidly towards nationalization and communalization (municipalization) to be accompanied perhaps by the extension of public property in coal-mines and in water-power. Further than this, I do not anticipate the advance of public and associated industrial management.[1]

The needs of two or three generations ahead, cannot possibly, in my opinion, be foreseen, even by the most far-seeing eyes. But there are four points on which I have never failed to insist: namely,

[1] Since the great coal-strike of 1889, the "Coal-barons" of the Rhine and Westphalia have given the coal-nationalizers much cause to attack them. But I am still opposed, on critical grounds, to the nationalization of the mining industry. (Cp. Tübingen Zeitschrift, 1890, p. 693 and following.)

1. That the system of associated enterprise can never cover the whole field of national activity.

2. That the capitalist system of production is and will remain justified, so long and in so far as it subserves the industrial welfare of the whole, and also that it is not incompatible with the protection of labour, nor with its suitable remuneration, nor with the treatment of the labourer as a professional worker.

3. That the introduction of state-organised enterprises in those cases where they can accomplish what private industry cannot, or cannot so economically or so profitably do, or through the degeneration of capitalism into an absolute monopoly(1) can only do by exploiting the people, would not only be no misfortune, it would be a progressive step, which must go forward, in an orderly manner, and by the same absolute necessity which has in all ages produced in gradual development institutions of general service and utility.

4. That even within the domain of associated organization individual activity can be maintained, and that *nothing can be done for the people*

(1) Already we find increasing numbers of invulnerable *rings and trusts*, thrusting themselves forward.

in any branch of production, unless a proportion be maintained between the work done and the reward assigned, unless merit is everywhere recognised, and the claims of an aristocracy consisting of the most generally useful members of society.

Have I now spoken plainly and unmistakably? I think so. And what I have defended is not by any means the Social Democracy which would suddenly abolish private capital directly, universally, and by popular plebiscite, replacing it by collective production, and collective production only, on a basis of popular sovereignty which culminates in equality for all and individuality for none, and which brands all and every form of Profit as robbery. My Socialism is, and has always been, a positive social policy, practical social reform, "practical Christianity," in short, *Reform Positivism*, entirely in accordance with the new spirit of the time.

It is true this is not progress in the Berlin sense of the term, but it is far higher and more real progress than that, a progress that overcomes both extremes of Individualism, offering equal and direct opposition to both Liberalism and Social Democracy, and a final release from the legitimate parent of these same Siamese twins,

a spirit of arrogant criticism. It matters nothing to me if this standpoint is miscalled "State Socialism," whether "practical" or "scientific." Against names, when once they have found admittance, nothing can be done, even when they are like chalk marks dabbed on the backs of opponents by the rowdies of either party.

I have taken your request quite seriously. I beg now that you will have the goodness to let your neighbour in the Reichsrath read my letter, to cure him of his scruples regarding your society. The good man scents in me an Antisemite and Social Democrat in one. I am no Social Democrat, as I have just shown. Neither am I an Antisemite, for it is a thing I could never be. It is true I always have combated the unlimited freedom of capitalistic exploitation, and the "free life" of legalized robbery, whether carried on by circumcized or by uncircumcized "Jews," by secret trickery or by positive theft. Yet I would combat this freedom of exploitation only by a further advance in existing liberal right, on the grounds of common justice. I have as little sympathy with exceptional legislation against the Jews,

as against the Ultramontanes or the Social Democrats. I have a horror of race-persecution of all kinds. But for all that, I shall never, to please the Jews, refrain from helping forward, for all alike, and in the direction of positive reform, and to ensure the safety of all, the progress of that modern conception of right and justice which has been built up by the prevailing economic, political and religious Liberalism, in Jews as well as in Christians, and which must tend to make oppressive usury and exploitation impossible alike to Christians and Teutons, and to Jews and Semites. In dealing with the "Jewish question" I make no account at all of race. If we succeed in attaining that positive development of the basis of common justice, to show cause for which is the main purport of this correspondence, then the "Jewish question" will be settled at once, to the satisfaction of all honest Jews and of all honest Christians, and settled on the basis of the existing social order. No race-persecution of any kind need be started.

It is possible that there are Semites who would fear and hate this state of things more than they would do Anti-semitism, and your

neighbour may be one of these. In that case it is as Ultra-Liberals, not as Jews, that they are my opponents. It is possible, on the other hand, that many who call themselves Anti-semites are working for protection from exploitation of all kinds without persecution of the Jews or exceptional legislation, and not out of race-hatred, but only from love of the Christian faith and of their own people, and in vindication of the things they hold most sacred. These then if they seek their end on the basis of free persuasion and of common justice are no Anti-semites properly so-called. The Social Democrats have announced that Socialism has no need of Anti-semitism, that it can tackle Judaism (Capital) by itself. But this is by no means sure: except in case they should make a complete destruction of everything. Within the very government and administration of the Social State the members of so clever and gifted a people might yet find their reckoning. Thus, even if I were an Anti-semite I would not adopt Social Democracy as a preventive against Semite oppression: for I see quite clearly that the conservative, national, and agrarian Anti-semites, who as a whole stand further aloof from

Individualism than "Freisinnige" and Socialists from each other, have no intention of casting out one devil by means of another, and are very careful not to join the Social Democrats.

Have I now spoken roundly enough to please your friend? I am no Anti-semite. But neither am I, assuredly, a Philo-semite. I can be no more compelled to love than to hate.

I think I may now claim to have fulfilled the general purpose of this first letter, which was to draw out the characteristics of Social Democracy, and at the same time to clear up misunderstandings. But one task still remains to me; that is, to distinguish between the two main varieties of radical Socialism, namely, *Proportional Collectivism*, which formerly was Socialism properly so-called, and the *Collectivism of Equality*, or the pure form of genuine Communism. Social Democracy, not only in its programme, but also apparently in the convictions of its adherents,—at any rate in Germany—has been constantly shifting more and more from Proportional Collectivism towards Communism, in which radical collectivism as a general rule culminates.

The claim of Proportional Collectivism or Socialism, properly so-called is: that on a basis of national ownership of the means of production, each should receive according to the extent and value of his labour, or more accurately, each should receive "*the full product*" or equivalent of the result of the share contributed by his labour to the whole product of collective production. From this would result a proportionately equal share *directly* in the material, but also *indirectly* in the other non-material good things of life: such as the State ("State of the People") family happiness, education, social enjoyment, and so on. Equality here, at least as regards the share in the result of social production, *i.e.* as regards income, means only the maintenance of an equal relative proportion. It being supposed to have been proved by the Collectivist criticism, that capital only arose and attained such gigantic proportions by absorbing into itself some of the product of wage-labour, by so called *appropriation of the surplus value*, it was now required that labour in general, and as far as possible each labourer in particular, should receive the full result or equivalent of his (or its) labour.

It is true that the practical maintenance of this proportion is, as I shall show, impossible on the basis of Democratic Collectivism. And even were it possible, it would first be necessary to determine what, under Democratic Collectivism, would be the amount of that pure product-value of national labour which was to be subjected to proportionate distribution: for if Collectivism as a whole should prove to be a much less economical system than Capitalism in its own sphere has hitherto shown itself, "Labour" would still have gained nothing, and might even fall into a much worse case than before There would be after all in Proportional Collectivism no departure from that eternal social principle, which alone can secure the highest productivity in the interests of all as well as of each, namely, the principle of *maintaining the proportion between work done for the whole and for others, and amount received from the whole and from others*, in other words, no departure from that *fruitful solidarity between the interests of the whole society and those of its individual parts.*

So then it would be compatible with this form of Collectivism to recognize as labour the many kinds of work outside the production,

transfer, preservation, and delivery of commodities, and to keep going the higher class of professional labour in every department of social life; in short, to maintain *division of labour* equally in industry, education, learning, and science, in the state and the corporation, as well as to raise from existing conditions a higher, even if at the same time an increasingly democratic, level of development in industry, science, education, art, technique, and government.

But equality for all in everything, would not be attained by Proportional Collectivism. For this latter does not by any means surmount the highest peak of Individualism, the creed which places all upon the same level, and gives to all equal rights, and equal duties. We do not find this until we come to Communism, which had already, in 1875, become the programme of the German Social Democrats, and since then has become more and more their wide-spread conviction, but which loftily stigmatizes the ideas of the milder proportional Socialism as "spiessbürgerlich" (narrow-minded, bourgeois.)

The claims of Communism are or must be as follows: on the basis of national ownership of the means of production, to each, first: *equal*

and (may we not suppose also ?) *by turns all kinds of labour, i.e.*, productive labour, the "*universal obligation to labour*" : secondly, all products to become the property of the whole community, which has the right to hold them "seeing that it has, as a whole, made their production possible !" thirdly, outside that portion of the entire result of production which Society requires for its Collective needs, distribution by the community, according to the socially recognized "reasonable needs" of each individual. Thus, to each equal labour, according to his capacity to labour for the whole, but enjoyment of commodities to each, according to his reasonable needs out of the collective treasury of the whole.

But equality is only rendered complete if each takes his share in industrial work—in the "social state" all other kinds of work are and will be not work, but merely play—and in every description of industrial work by turns, the more arduous as well as the higher forms of labour, and all labour is laid indiscriminately upon all, upon women as well as upon men. All labour is manual labour, and everyone is under an equal obligation to perform it. This is literally the admissible and

in any case the theoretically inevitable interpretation of the "universal obligation to labour, and equality of rights."

But Communism is not satisfied even with this. Even the non-industrial side of social life is to be so ordered as to give to individuals a personal equality by public education, cultivation, and social intercourse, and to each an equal share in what would then correspond to our political and municipal life, as well as in the life of art, of learning, of social enjoyments, even of sexual gratification.

Professional specialization of functions would be quite as inadmissible, in State, in Religion, in Learning, and in Art, as in industrial life, for authoritative institutions such as schools, churches, universities, political government, and so on, are not compatible with the equality of all.

Communism, therefore, means much more than merely the abolition of capital, it requires an equal compulsion laid upon all to labour in the national industry, and the equal claim of all to non-industrial influence and to every form of the good things of life. It breaks with all the slowly matured results of the whole

development of history which has steadily gone on, since the abandonment of pre-patriarchal Communism, in the direction of the simultaneous growth and differentiation of both private and public professional activities. In order that no one may have, or do, or fail to do more, or more special things than any other, Communism must establish the equality of all in everything, the participation of all in everything, the equal share of all with all in every form of activity, both laborious and pleasant: and this on the basis of national ownership of the means of production, which terminates the supremacy of property, on the basis of personal equality, which it is supposed the public popular education of all will bring about, on the basis of the substitution for the State (or governing body) of popular sovereignty, including female suffrage, on the basis of free love, and on the basis of the entire destruction of all authority, and of authoritative social powers, and transmitted social institutions. It is in fact the *horde-status*, in which every individual does everything and enjoys everything, and which has been hymned as the coming Paradise for earth's myriad inhabitants.

Such is the Communism of Social Democracy, at least of consistent Social Democracy. How short is the way from this to Anarchism, at least for individuals and the fanatics! This last bodes Incendiarism towards no one knows whom—"Emperor, King, Field-Marshal, holiday-makers, or horses"—dynamite as the form of politico-social protest of all good subjects *à la* Reinsdorf, as the "sign of every Social Democrat of dead, as distinguished from the Social Democracy of the ballot-box." This is obviously the exaltation of the individual to the extremest pitch to which it can be carried, the criminal extreme of the "Freiheit die ich meine" (my freedom) the maddened revolt of each and every subject against the society and against the history of the nation; in short, Individualism stated in its highest terms!

Thus do these two main forms of radical collectivism present themselves to us.

This is not the place nor is it my duty to defend Proportional Collectivism against Communism. I will merely content myself with repudiating at the outset the clandestine and most mistaken fundamental assumption that *because* all superior labour-power is the

product of Society, and *because* only Society makes possible the entire productive result, *therefore* all must throw in the product of performance above the average into the common social property, and must surrender it for equal distribution according to reasonable needs, it passing thus in most cases away from themselves to others. For it is not true that each separate person in his peculiar individuality is a *mere* product of the whole Society; he is also the product of his own personal activities as well as of the activities of other individuals, of special efforts and labours in the whole course of generations. It is no less untrue to say that only the whole Society can compass and actualize the productive result: individuals do *together* produce the entire result but *each in his several degree.* Each has therefore a claim to a recompense proportionate to the amount of his individual performance, and it is the highest interest of Society to recognise this claim, as by such recognition alone the greatest product can be secured to Society for the purpose of division. It will not be the means of production which belong Society, but the efforts of individual labourers,

aided by the means of production, and working each according to the measure of his industry and his ability, that will be instrumental to the output of Collective Production. Therefore, for Collectivism also the plan of proportional distribution according to work done, supplemented by organized relief for the needy who cannot work, is most thoroughly justified, as against the Communistic confiscation of all products and their re-distribution according to needs. The appropriation by the Society of the results of unequally productive labour for a uniformly equal distribution according to needs, is a *universal and monstrous appropriation by one set of persons of the surplus value belonging to others*, so that Communism would do in its own way, deliberately and universally, just that very thing which it reproaches Capital for doing, far more and more universally than Capital really does. I thought it best to make these remarks here, that I might have no need later on to recur to the philosophical πρῶτον ψεῦδος of Communism, the fundamental fallacy in the sphere of "natural right.

And now to conclude this letter which has

already run to too great length, I will make only two remarks as to the method which I intend to follow.

First and foremost I shall prove point by point that Democratic Collectivism is utterly unable to accomplish what it promises. Then I shall show that whatever is attainable in the direction of its promised advantages can be actually and fully achieved by a positive development of liberal justice, in the way of reform. In doing this, I shall be careful to avoid all misrepresentation of the claims and conclusions of Social Democracy. Political science can find no surer way of undermining a subversive social philosophy than what I might call the *method of the most reasonable exposition of an opponent's ideas in conformity with their true intention.* He has done nothing to combat a practical suggestion of any kind, who has either formed no conception of it at all or else a mere caricature of it in his own mind, for the first thing to be done is to lay down the most appropriate positive outline of the practical proposals on which a judgment has to be passed. This method has great advantages even should the attempted

opposition fail; for it helps us to avoid revolutions without any positive idea, and revolutions whose positive conceptions have been insufficiently thought out.

Therefore it is that I shall take as the basis of my Criticism, that *Proportional* Social Democracy which is alone conceivable in practical working. Of course even this I shall have conclusively to disprove—even in its best-considered form, as represented by Rodbertus—and I shall have to shew that the further development of Society, starting from existing conditions, is the only possible way of improving Social conditions to the betterment of the masses of the people.

LETTER II.

CRITIQUE OF SOCIAL DEMOCRACY.

STUTTGART, *December* 26, 1884.

HONOURED FRIEND,

Your answer received yesterday has given me great satisfaction: partly because you say that I have been entirely successful in pleading my own justification, but also because you express yourself as agreeing entirely with my proposals as to the formal and material treatment of our subject to be followed in this correspondence. You urge me with especial warmth to take up as thoroughly and deeply, and of course as lucidly as possible, the ethico-religious side of the question, and particularly the position of Socialism with regard to

Christianity; for this you look, you say, with an almost trembling eagerness. I will do what lies in my power, which theologically is but weak. However, for the moment I ask your patience. We must first clear up the industrial side of Socialism to the criticism of which this letter shall be devoted.

Social Democracy as a party, is the party of the proletariat. To their social inclinations and longings its whole teaching, its whole agitation, is expressly suited. Collective production is to fulfil the very desires of their hearts, it is to overthrow the capitalists, and rid the world of business-crises and "wage-slavery." Social Democracy does not examine whether the evils of free unrestrained capitalist production may not possibly be cured without the entire abolition of private capital. Nor does Social Democracy think it worth while to consider whether, or to bring forward any proof that either kind of production could conceivably exist entirely by itself: nor whether, if this were possible, productivity might not severely suffer as a consequence, and thus the impoverishment of all directly ensue. Still less, whether there are not very important

social interests, other than industrial, which preclude the possibility of collective production. The profits of capital, the instability of wages, wage-slavery—these must disappear: therefore we must have a democratic collective production. The capitalistic system is incurably bad, therefore the collectivist will ensure universal earthly happiness.

I, for my part, hope within the compass of a single letter to be able to bring you striking proof that Social Democracy in all its democracy and in all its radicalism can never fulfil a single one of its glowing promises; and further, that each and all of the preliminary points above mentioned, over which its fanatics rave so wildly, will, if rightly considered, afford evidence of the impossibility of Democratic Collectivism.

It is, to begin with, a delusion to imagine that collective production could be organized and administered at all in a republic which from base to summit of the social pyramid was reared on democratic principles. It is no doubt a mistake to aver that collective production or even an entirely collective industrial system is altogether inconceivable,

or must come to grief by reason of the overwhelming burden imposed on the central political power. I have myself shewn that this is a mistaken view. But it is, on the other hand, quite certain that collective production, the universal panacea of the Social Democrats, would be wholly impossible unless the most carefully graduated authority were vested in the corporate governing organs, authority which should extend from the lowest to the highest and most central parts of the productive system. It would be impossible to allow that either from without inwards or from within outwards there should be constant overturning, changing, and all the confusion of new experiments. But if this is not to be, then a stable and self-sufficient central authority and a similarly constituted administrative system throughout the state will be absolutely necessary. And these two essentials could only for all time stand securely when based on very broad foundation-stones of some powerfully moderating elements. But then where would be your democratic republic from top to bottom and from centre to circumference? Where would be your freedom and

equality? Where your security against misuse of power and against exploitation? The fact is, collective production on a democratic basis is impossible. On a basis of "authority" it is possible, and even in part actually existing, but as such it is non-democratic, and has no charms for the proletariat.

In the second place, Collectivism eliminates both nature and private property as determining factors from the problem of the distribution of income. This it does by transferring the ownership of the means of production entirely to the community, and welding all businesses of the same kind—however unequal the natural efficiency of the instruments may be in the various sections — into one great "social" department of industry, worked on the principle of equal remuneration for equal contributions of labour-time. This elimination of two out of the three factors in production might be practically feasible, perhaps even just, if collective production were organized on a sufficient basis of authority. At least, experience shews that the state can without difficulty raise and maintain what is necessary for the supply

of its various collective agencies, and can carry out a uniform scale of remuneration for a complicated network of officials. But under a purely democratic organization so delusively simple a method of elimination would be by no means practicable. A materialistic and greedy host of individuals, puffed up by popular sovereignty, and fed with constant flattery, would not easily submit to the sacrifices required by the immense savings necessary to multiplying the means of production. Still less would the members of such productive sections as are equipped with the instruments of production of highest natural efficiency be inclined to cast in the surplus product of their labour with the deficient production of others. Strife and confusion without end would be the result of attempting it. A social-democratic system ofcollective production and distribution is specially incapable of practically effecting the elimination of these factors—which furthermore would, even if effected, simply destroy the peculiar interest of the administrators of production and the industrially fertile charms of capital-profit, as well as of ground-rent and, generally, of all forms of royalty. While if it is

to be carried out on a more or less decided basis of authority, it ceases at once to be Democratic.

In the third place, Social Democracy promises an impossibility in undertaking, without danger to the efficiency of production, to unite all branches of it, and in each branch all the separate firms and business-companies into one single body with uniform labour-credit and uniform estimation of labour-time. Herein it goes upon the supposition that the whole tendency of production is towards business on a large scale with local self-complete branches on factory lines. Yet this is a most arbitrary assumption. Even in trade there will always remain over a mass of small scattered pursuits that entirely escape control, some subsidiary to the arts, some connected with personal services, some in the way of repairs and mending. In agriculture the large self-complete factory system is excluded by the nature of the case. The system of the *latifundia* becomes heavier and more intolerable as the cultivation of the soil becomes more intensive and more scientific. It may well be that in the agriculture of the future there will be more and more introduction of collective administration for

purposes of traction, the in-coming and out-going of produce, and for irrigation and draining, for the common use of machinery, and for operations of loading and despatch. But farming on a large scale, such as is done on the Dalrymple Farm, in the Red River district, or on Glenn Farm, in California, is not possible as a universal system. If there are any who still think otherwise they would find it very profitable to read the latest census of the United States, 1880. For here they will find it shown that, without exception, decade after decade, in proportion as the cultivation grew more intensive, the population more dense, and labour freer, the system of the *latifundia* was disused, peasant proprietorship increased, and the limits of the farm became less extensive. There also the circumstances are very clearly stated which pre-eminently indicate that agriculture, unlike other industries, tends in the direction of small or moderately large concerns. The denser population becomes, the more do medium and small sized holdings—with the aid of subsidiary collective machinery—ensure the necessary provision for the people. The facts brought forward by

Bernhardi in his classical work, "On Large and Small Landed Estates," with respect to raw and net produce, do not fall before the trumpet-blast of the Social Democratic millenium. And how in any case could it be possible without any authoritative organ of control or regulation to draw all the varied and scattered branches of agricultural labour into one simple homogeneous system, and to reduce all labour to terms of average social labour-time. Collective production in agriculture, however unproductive, and therefore unadvisable, would be in the presence of any authoritative organization not inconceivable. But under a democratic system of organization it would be quite inconceivable. The entire sum of individual happiness, the pleasure that comes to most men in the free possession of one's own property, and of the soil inherited from one's fathers, would be exploded by Social Democracy for the benefit of the industrial proletariat: equality is the only thing worth having. But the peasant will hold his own, if the mountain of unproductive debt can be rolled from his shoulders, and in face of the anti-collectivist proclivities of his sturdy brain,

and the force of his red-coat sons, Social Democracy will inevitably fall to pieces at last, though it start with the most successful revolution ever achieved.

Social Democracy, in the fourth place, promises to the industrial proletariat a fabulous increase in the net result of national production; hence an increase of dividends of the national revenue, and a general rise of labour-returns all round. This increased productivity of industry would perhaps be conceivable if a firm administration could be set over the collective production, and if it were also possible to inspire all the producers with the highest interest alike in diminishing the cost, and in increasing the productiveness of labour. But Social Democracy as such refuses to vest the necessary authority in the administration, and does not know how to introduce an adequate system of rewards and punishments for the group as a whole, and for the individuals in each productive group, however necessary a condition this may be of a really high level of production. For otherwise, of course, there would be no freedom and no equality. Therefore, on the side of productivity again, all these

delusive representations as to the capacity and possibility of democratic collective production are groundless. Without giving both every employer and everyone employed the highest individual interest in the work, and involving them in profits or losses as the case may be, both ideal and material, it would be utterly impossible to attain even such a measure of productivity for the national labour as the capitalistic system manages to extract from capital profit, even in the face of risk, and with varying scales of remuneration. The introduction of even stronger and more effective guarantees of universal thrift and efficiency in a partially collective system may at first sight appear to be not impossible, as I have shown at length in the third volume of my "*Bau und Leben*" (Structure and Life of the Social Organism). But this result is impossible if the only means of bringing it about is to be resolutely rejected and denied, namely, the free and ungrudging assignment of a larger proportion of material and ideal good to the real aristocracy of merit. Without a sufficiently strong and attractive reward for individual or corporate pre-eminence, without strongly de-

terrent drawbacks and compensatory obligations for bad and unproductive work, a collective system of production is inconceivable, or at least any system that would even distantly approach in efficiency the capitalistic system of to-day. But democratic equality cannot tolerate such strong rewards and punishments. Even to reward the best with the honour of direction and command is to run directly counter to this kind of democracy. The scale of remuneration in the existing civil and military systems would be among the very first things Social Democracy would overthrow, and rightly, according to its principles. So long as men are not incipient angels—and that will be for a good while yet—*democratic* collective production can never make good its promises, because it will not tolerate the methods of *reward and punishment for the achievements of individuals and of groups*, which under its system would need to be specially and peculiarly strong.

The fifth, and the most one-sided promise held out by Individualism, in the Eisenach Programme of 1869, namely, that each member of the productive society should have strictly apportioned to him the exact value of the

product of his social labour is a pure delusion which has already been unmasked in the "Quintessence." It is true the promise was formerly proclaimed from the housetops by the travelling preachers of Social Democracy, but it is, nevertheless, a pure superstition, if it be not conscious decoy. Nor has Socialism discovered (it is as a matter of fact indiscoverable), the formula for the "fair" wage, that is, the reward exactly commensurate with the value of the product of each man's labour contribution. The proportionate share of each in the value created by a joint product cannot possibly be determined in associated production of any kind, whether under the capitalistic system or in the socialistic plan which excludes private capital. It is wholly impossible to decide how much is contributed by labour and how much by capital to the value and amount of the joint product; for the product is the indivisible result of the joint work of capital, labour, and the gratuitous co-operation of nature. Socialism, it is true, sets aside in two master-strokes the factors capital and nature in dealing with the question of distribution, by turning capital into common property for which no question of profit will

remain, and by uniting all productive concerns of every kind—those where the natural factors are favorable, and those where they are most unfavorable alike—into one common calculation, equal contributions of labour-time having an equal claim for remuneration. Let us leave out of the question what I have already pointed out to be the serious difficulties of effecting this twofold elimination on democratic lines. Will the "fair" value resulting from each man's contribution of labour even then be secured to all when the necessary needs of the community are first satisfied, and then the rest of the product (valued according to the amount of social labour-time absorbed by the various classes of goods), distributed according to the time which each has given to work? By no means. On the contrary, each social worker who contributed more in a given time than his fellows would be disproportionately handicapped at the outset, in a covert manner, by the preliminary deduction of all that was necessary for the public wants. All whose average productiveness was higher than that of their neighbours would in this way come short in their share of remunera-

tion. He who produced goods of a really valuable kind, he who contributed the creative idea which alone can set higher productivity on foot, he who by some act of prudence and watchfulness has saved the revenue—each and all these would not only fail to receive the exact share that was due to them, they would come very short indeed in proportion to the value of their contribution, the divisible remainder of the products being divided merely according to the time spent in labour. And I say nothing of the fact that the workers may be grossly exploited not only by Capitalists, employers and landlords, but also by those demagogues who have been lifted to the surface out of the mass of the common people, by favouritism, by setting aside the honest and capable, and by the indolence of the mass of the people. It is also quite impossible to form an accurate estimate among the labourers alone of the value of the product in proportion to the amount of revenue created by each several labour contribution. The portions of labour-time devoted by different labourers in concert to the creation of an indivisible product-value are not in equal proportion, still less in any proportion

that can be exactly computed, causally concerned in the amount, and least of all in the value of the entire product. The Socialist theory of labour-cost which, moreover (as I have shewn in the "Quintessence"), could only be true in the case of a constant equilibrium between the social supply and demand as a whole, is as far from having found the key to the "fair" distribution of the value of production as was Heinrich von Thunen when he apportioned to the labourer the geometric mean ($\sqrt{ap}$) when (a) is the requirement for subsistence and (p) the value of the product, or as the well-meaning Austrian priest Weiss, who recently—excited to Thomist moral studies by the challenge of the Pope—decided that the fair distribution of revenue would be that the capitalist should afford the necessary maintenance to the wage-labourer and to himself, while the rest of the profit over and above this necessary maintenance should be divided in proportion to the business capital of the *entrepreneur* and the unredeemed educational outlay of the wage-labourer. It is absolutely impossible to determine the exact proportion which is contributed by "Capital," by "Labour," and by "Nature," or by successive relays of

capital or of labour, to the amount of the product or to what is to-day its exchange value, but what in the collectivist *régime* would be its public appraisement. The fanaticism with which the Gospel of Marx's theory of value was at one time preached rests upon superstition, and upon a wholly superficial misconception of facts. The whole literature of Social Democracy goes to prove one thing only, that it is possible for the share allotted to labour to be driven down to a starvation wage, and that it is but a fair and justifiable demand that this share should not be allowed to fall below the level of the absolute needs of life. It is not only not proved, it is absolutely unprovable, that a distribution measured by the quantum of social labour-time given by each would represent distribution in proportion to the measure of product value contributed by each.

We must have the courage to call the child by its right name: to effect a fair distribution of the product among the labourers we must not attempt an exact individual agreement between the income of each and the product value of his work, but we must rather endeavour that all in proportion to their efforts should

receive enough not merely to exist in poverty and need, but to live and work as strong and well equipped members in the service of the community, and to be able to lead a contented life without mercenary aims or ideas. This would not be assured to him by giving him the product of his social labour-time, not even nearly so much assured as it is in the capitalistic industrial system by the competition of prices, wages, and rents, or as it may in the future still more effectually be secured by carrying on the conflict respecting wage-agreements between adequate class-organisations. Not that unrestrained capitalism would allow of a perfect system of distribution: but neither would a democratic organization of collective production be at all likely to effect a fair distribution according to labour-time without discouraging the industrious and favoring the lazy. The use-value of labour, its social meritoriousness would in a system of reward according to a mere theory of cost be entirely overlooked.

Social Democratic Criticism does it is true in part uphold the "iron law of wages," according to which the Wage-labourer receives only, according to his social standing what is

absolutely necessary for his maintenance, while the "increment" or enhanced value produced by his labour is bloodthirstily sucked up by his employer in the form of profits of Capital. I shall presently have to show you that this whole story of the Capitalist-robber's appropriation of the increment when more closely examined turns out to be entirely baseless: seen in a clear light it appears as a gigantic exaggeration of the same criticism which Aristotle in a way that remains unsurpassed applied to the abuse of property for purposes of exploitation. Marx himself quotes this early critic of the wealthy exploiter, or as Aristotle himself termed it, of Chrematistic.

Not only has Social Democracy failed to find the mathematical formula of distributive fairness, it will not and it cannot, in the sixth place, fulfil its claim of preserving that proportion between the social value of work performed by the individual and the social value of reward received by him from the community which is so indispensable alike in the interests of the individual and of society, and in which lies the guarantee of industrial economy in the service of the whole. This claim, which is daily

making itself more clearly felt, though it is not as yet practically attainable, is not an individualist principle but an essentially social one, and true for all time; for if a worker who does more than his fellows for the service of the community comes by that means to the front, then the whole nation gets the full benefit of the best industry and insight, the fidelity, virtue, and economy of all its most distinguished members: the community and through it the individuals, attain by means of this proportionate remuneration, both material and ideal, the highest attainable measure of well-being. In a word, the result is the *participation of the masses in the fruits of the best labour*, the fulness of practical equalization and adjustment. But however socially useful this proportional remuneration be, and however little any continuous advance in civilization can be made without its enforcements, the principle is still undeniably in the highest and best sense of the word aristocratic. It means the aristocracy of merit, of the highest worth, the superior position and superior enjoyment, both material and ideal, of those who do most for the interest of

the whole. This proportionate remuneration is totally incompatible with a one-sided democratic equality. A Social Democracy which once admitted this principle would no longer be a democracy at all after the heart of the masses. But Social Democracy does not at all agree with this fundamental requirement of any actual productive social organization: it insists upon distributing the divisible portion of the result of production either in proportion to the *time* spent in labour as has been demanded by some or Communistically as in the Gotha programme "according to reasonable needs" entirely without reference to the merit and productivity of each separate performance. This view obviously adjusts itself to the theory of value and of the Social cost of production which I have already disproved in the "Quintessence." Under a collective production organized on the basis of authority the introduction and efficacy of the aristocratic lever and incentive would still be conceivable; under a democratic collective production it would not even be possible to introduce them, still less to preserve and develop them into instruments of sufficient force.

This leads me to speak of the impracticability

of another and a very important promise of Social Democracy, namely, that of the further distribution of the product in a brotherly fashion according to needs. Even if Social Democracy could prove—which it cannot—that it could guarantee to every man the realized value of his labour, its wage-system would still be totally inadequate, and a blow direct to communism properly so-called. The consistent stickler for equality and practical brotherhood would demand a distribution to the weak also according to their needs. As a matter of fact, this view finds a place even in the existing society of to-day. For the primary "capitalistic" distribution of incomes is supplemented by a second, a third, and a fourth, for we have the handing over of a share in the income, dictated by affection, to the family and friends, next the mutual benefits conferred by insurance policies, the action of benevolence and philanthropy towards the unfortunate and the needy, and the apportioning of burdens imposed by the State to the individual's capacity for bearing them.

In every kind of social organization the treatment of misfortune and destitution must, to some

extent, find a place; that is the germ of truth which lies at the bottom of communism, properly so-called. But collective production with distribution according to the value of the labour contribution (Eisenach Programme of 1869), makes in itself no provision for this need. And worst of all, Social Democracy makes no attempt to fill up this gap, and even the Gotha programme of 1879 cannot grapple with it. If in a democratic collectivism it were to be attempted from the outset to apportion men's share, not according to their contribution of work, but according to their needs, the result would be that shortly every portion of the "Sovereign people" would appear to be, and would even be, in a great state of need and destitution. Everything would get out of hand, and a hopeless confusion ensue, the only way out of the difficulty being to declare a universal equality of need, a solution most unjust, most wearisome, and most conducive to idleness. Democratic Collectivism, therefore, is not more consistent either with the proportionate remuner- ation of labour according to its value, or with the brotherly distribution of income according to the reasonable needs of each, than is the existing social order.

In the eighth place, Democratic Collectivism makes a further and most weighty promise in holding out an assured prospect of entirely suppressing all "exploitation," or as Marx expresses it, all sucking up of the "unearned increment" of labour. I do not deny that, with an unrestrained freedom of capitalistic gain, much exploitation does actually take place, and that such exploitation is even possible to the degree which forces down the wage-labourer to a starvation level. But in admitting this I by no means take it as proved that under capitalistic production the grinding down of labour by capital cannot be prevented. Still less is it proved that the whole of capital-profits over and above that portion which compensates the *entrepreneur* for his expenditure of time and labour is so much stolen from the wage-labourer of the real value created by his paid labour. Since, as I have shewn, the real value contributed by labour to the product cannot be determined, it is as impossible to prove that exploitation would be entirely suppressed in the "State for the people," as that the absorption of the increment actually goes on under the Capitalistic *régime*, and thus the

profits of capital are by no means proved to be a form of exploitation. In the Social State just because no more individual home-production would go on, a distribution of the entire product of labour or its full realized value would not be possible: Collectivism would open a far wider field for exploitation than any hitherto known system of production, for communism is a thoroughgoing and gigantic system of appropriation of the increment. This whole one-sided individualistic representation of the exact balancing of the reward and the performance of labour is entirely fallacious, though it has been so frequently preached to the proletariat. The highest gains of capital are sometimes thoroughly well-merited, in cases where the *entrepreneur*, mainly by his own skill in manipulating and placing his capital or his labour, or it may be his capital only, has achieved a great success in production. How much of the value of the common product is to be ascribed to the influence of capital and how much to the share of paid labour, is, as I have said, not determinable. To designate as does Marx, the whole profits of capital *Plunder*, carried on by appropriation by capital of the product-value created by wage-labour is in itself

a plundering out-break of hypercritical logic. It is wholly vain to prophesy that in the ideal state of democratic collective production the door will be entirely closed against all exploitation, and all possibility of the depression of wages to a starvation limit for ever at an end. The private capitalist of course could no longer exploit the wage-labourer, since all private capital would be over and done with. But labourer could very really exploit labourer, the administrators could exploit those under them, the lazy could exploit the industrious, the impudent their more modest fellow-workers, and the demagogue those who opposed him. Under such a system above all others it would be impossible to set any limits to this. It would be the very system to lend itself most freely to exploitation, as it would have no means of defending itself from practical demagogy and the discouraging of the more productive and more useful class of labour. With the quantitative reckoning of labour-time, with the setting up of a "normal performance of work," with the merging of intensive and extensive measurement of labour, things might reach such a pitch that Marx's vampire "the Capitalist" would shew up

as a highly respectable figure compared with the Social Democratic parasites, hoodwinkers of the people, a majority of idlers and sluggards. The state would be the arch-vampire, the new state, whose function it would be to provide pleasure for the people and to fill up for each and all the highest measure of earthly bliss! Again, in the inclusion of all the land into state-leased property, or the absorption of all ground rents in the form of taxes, as Henry George's Land-nationalization scheme proposes, there would be no guarantee against exploitation in the form of lavish state expenditure for the sweetening of the populace.

In the ninth place, Social Democracy makes another impossible promise—*the avoidance of all paralysis of trade.*

The misery of undeserved loss of employment is the greatest terror which besets the industrious poor who have no possessions. Social Democratic criticism ascribes the terrible distresses of each great paralysis of trade to the capitalistic system of production, and to no other cause. There are two peculiarities in this system, they say, which of necessity are for ever bringing round these stoppages of trade; one is the

tyranny of the economic situation, which society fails to regulate, the other the lack of purchasing power among the masses owing to the lowness of their wage as compared with the value created by their labour. Among the innumerable competing branches of industry, each, they say, produces recklessly into the air without knowledge of the demand, and without knowledge of the extent of their rivals' production: hence the economic situation, the power of uncontrollable social causality, becomes predominant in capitalistic society, as Lassalle has pointed out with great skill and clearness: supply and demand from time to time become glaringly out of proportion: the disturbed equilibrium can only be restored through a stoppage of trade. The other factor in these trade crises of industrial production on a large scale is, according to these same critics, that the labour-wage does not increase in proportion to the rising productivity of labour and capital; this results in production for which there is no effective demand, or over production, hence paralysis of trade, the people famishing in the midst of a superfluity of production, masses of hungry labourers able and willing to produce,

but no employment for them. Both these evils Collectivism promises to remove: an absolutely closed system of collective production resting on an accurate estimate of demands and needs will hold in constant equilibrium every kind of supply with every kind of requirement, and the labourers, who in return for their contribution of labour-time are to receive the whole produce of their labour in due portions, will thus be throughout the whole range of production competent to purchase and to consume: hence in the "Social State" there will be no paralyses of trade. Such is the Social Democratic teaching. We cannot, I freely allow, do enough in the endeavour to combat and avoid the misery of these trade-stoppages: it hangs like the sword of Damocles over the heads of the non-propertied labourers, it embitters the existence of every one of them who reflects and who has the care and nurture of a family to provide for. But for all that it must not be believed that exclusive collective production, even on democratic lines, would entirely put an end to the overwhelming force of the economic situation, or that insufficiency of wage is the main cause of such crises and the great disturber

of the equilibrium between supply and demand. The crises are due to the action, not only of social, but also of natural conditions and of these overpowering chains of circumstances a very large proportion would be insurmountable even for the "Social State." The alternations of good and bad harvests, the varying degrees of severity in successive winters, revolutions in technical appliances, the unregulated shifting of the population, the lack of organised emigration or any trustworthy intelligence-bureau for labour, the entire freedom of choice as to employment and place of abode, and of demand for commodities, all these and other circumstances have an inevitable share in such disturbances of equilibrium. Even the State of the future could not gain an entire mastery over all these causes, while in the State of to-day it would be possible to introduce strong and sufficient preventives by a positive Social and Industrial policy. Collectivism on an authoritative basis would perhaps master the evil to a certain extent, of course only by means of strenuous regulation of needs—which would be at the cost of individual freedom of demand

and compulsion of individual tastes in the selection of productive work—and by constant political interference with the movement of population: but it still remains doubtful whether these means would not altogether entail a larger amount of unhappiness of a different kind. Democratic Collectivism, by the very fact of its freedom, cannot and dare not address itself to the performance of this tremendous task: the eternal unrest and disturbance of this administrative guidance of production, together with the capricious changes of desire and demand in the sovereign people, would most certainly increase, to an extraordinary degree, the tyrannous fatality of these ever recurrent crises. The constant absorption by Capital of the increased value created by labour, which is supposed to be a further cause of the crises, is not, as I have said, within the range of proof, and so far as exploitation does exist it is not to be combated by Collective Production, but by quite other means: and further, if the reduction of wages to a starvation level were in reality the rule, the absorption by Capital of labour-created value would cause not paralysis of trade, but the increased production

of those goods and commodities which the Capitalists specially desire.

Democratic Collectivism promises, in the tenth place, the abolition of the wage-system and of all private service, which involves the continuous enslavement of the proletariat. "Wage-slavery" is to be superseded by a system of universal service directly for the community: the whole of productive labour would be placed in the position of a paid official department of the Democratic Republic. There is no doubt that private service is in principle very irksome and oppressive to workmen of high self-respect and personal superiority. But it has not been proved that for the great mass of existing wage-labourers the position of private service could not be made tolerable by some other means, nor has it been demonstrated that the *élite* of the working-classes cannot find within the limits of the capitalistic sphere of industry leading positions which are also suited to satisfy a high sense of self-respect. It is certain, on the other hand, that there is no possible organization of society in which no one must obey, and every one can rule, or in which all ruling would be mere idle pleasure and satis-

faction. In the existing order of society the mass of officials who up make the administration, both central and local, although they have the great advantages of immediate and uninterrupted self-supporting labour, have it at the price of very strict obedience towards often the most insignificant and spiteful nominees of favoritism, and in the face of very great uncertainty as to impartial and fair advancement on the ladder of promotion. The freedom of the individual would lose in a degree which democracy would by no means tolerate. Popular government very easily degenerates into mob-rule, and this is always more favourable to the common and the insignificant than to the noble and distinguished. Hence Democratic Collectivism itself would be likely to wound in a high degree the most sensitive self-respect, without leaving as much freedom as does the present system of private service, in the choice of employment and employer, or of a place of abode. Its only equality would be that no one was in any wise independent, but all slaves of the majority, and on this point again Democratic Collectivism would come to grief, and utterly fail to keep the promises it makes to

the better class of working men, whose self-respect is injured by the existing state of things.

Before we take leave of our criticism of Social Democracy on the industrial side, allow me to submit to you two further considerations which suggest answers to two questions that are still pending. In the first place, it might be asked whether Proportional Collectivism at least does not admit of being so reasonably formulated as to be within the range of practical discussion or possible acceptance. And conversely the question suggests itself, whether Radical Collectivism, even in its most practicable form, will not need to give way to the requirements of other social interests. Both these questions we have to formulate and to answer, following our chosen method of stating them in the best and most practical terms that we can discover.

First, to deal with the possibility of a more practical formulation of Proportional Socialism, and to criticise such a formulation when made.

So far as I know, Social Democracy to this day has made no declaration through the lips of the literary and political leaders of the

proletariat regarding the positive features of a system of distribution which should effectually reconcile *the interest of the society as a whole in the highest possible productivity of national labour*, with *the interest of each individual in securing a proportionate share of the result according to the measure of his performance.* When they began to tend so decidedly towards the Communism of Marx (see Preface), this question ceased to exist for them. And even Proportional Socialism was so Radical and Utopian as not even to state it.

For your enlightenment I will endeavour to supply this avowed deficiency from the posthumous works of *Rodbertus*, this great thinker having, though himself no Social Democrat, made more definite proposals than any one else has done, in the direction in which Social Democracy would have to look for its first attempt at a practical realization consistent with its principles: in his studies on *Normal Time*, and the *Normal Working Day*, further on *Normal Estimation of value*, and finally on the Normal division or distribution between the leaders of production and the producing labourers.

So far as I understand Rodbertus the fundamental outlines of this question are as follows:

in order to carry out the distribution of the net result of national production, among *all* the workers in proportion to their contributions to it, without cutting short the better labourers on account of the less good, and without endangering productivity, it would be necessary, he thinks, to reduce the varying individual performances of the several labourers to a normal common measure. This measure would be deduced, as regards the common measurement of labour of different kinds, and in different branches of business, from the Normal *Time*-Labour-Day, and, as regards the reduction to a common denominator of unequal individual performances in equal labour-time, from the Normal *Work*-Labour-Day.

For astronomically equal portions of labour-time would nevertheless mean different amounts of exertion and of self-sacrifice for Society, according to the differing nature of the employment. We must, therefore, reduce the working labour-time to an average Social labour-time, the normal *Time*-Labour-Day. Suppose this to be 10 hours, then 6 hours of underground labour would be counted as equal to it, as also, 12 hours of spinning or weaving. Or, what would

come to the same thing, the Normal Time-Labour-Day would be in mining 6 hours, in textile manufacture 12 hours: the mining *hour* being equal to $1\frac{1}{2}$, and the textile hour to $\frac{1}{2}$, of the average labour-hour. The normal Time-Labour-Day would serve to adjust periodically the relationships between labourers who were differently strained according to the nature of their work, and to ascribe to each kind of work and occupation, its normal proportionate share of the benefit of their various labours in the normal time-measure, and relatively to decide the due limits of those proportions. This, it is said, would ensure an individually fair wage: for if a man in the mining industry worked 3 instead of 6 hours, or in spinning or weaving, worked 6 instead of 12 hours, he would receive a share of remuneration apportioned only to a half Normal Time and Labour-Day.

But the Normal Time-Day would not be sufficient to ensure a fair equilibrium of work and reward: for in a given time spent on the same kind of labour, one individual will accomplish less, another more. The combined interest of the whole nation, therefore, and the necessity for a fair wage as between individual

labourers, demand that an average of normal achievement in a specified labour-time should be struck; in short, the establishment of a unit or measure of normal work. We must normalize also "according to work." This would be done somewhat thus: after the normal Time-Labour-Day had been fixed for each kind of work at 6, 8, 10 or 12 hours, as the case might be (according to the hardness of the work, &c)., there would need to be fixed also for each kind of labour, the normal achievement for the said Time-Labour-Day; that is, a normal rate must be struck of the quantity of work which an average labourer, with average industry and average skill, can get through in his special department during the said Time Labour-Day. The quantity arrived at would then represent in each kind of labour the *normal labour quantum* of a normal Time-Labour-Day, and would thus constitute the normal *Work-Labour-Day* in each department, which would be equal to what each labourer would have to get through in his normal Time-Labour-Day, in order to be paid or accredited for a full labour-day, that is, for the normal Work-Labour-Day. If, therefore, the workman were to

accomplish in a full Time-Labour-Day either half as much again as the normal work, or half of it, he would be credited, in Coalmining for example, with 1½ or ½ day of normal work-time, for his day of 6 hours, and in textile industry on the same assumption, with the same amounts for the day of 12 hours.

Contributions of labour-time would thus be made commensurable and capable of comparison and adjustment, not only between the various kinds and divisions of labour, but also between the various grades of individual capacity. That part of the national product which was to fall to the share of national wage-labour as a whole, would be distributed among the wage-labourers in the above proportions. Hence if this portion were to increase in amount owing to a further regulation which we shall presently explain, the share of each several labourer would proportionately rise with the rising value of national production. We should thus, it is supposed, have reached the basis of an individually fair "Social-Wage-System," a system which gives better reward to the better labourer, thus adjusting the claims and interests of labourers among

27685

themselves, which secures the productivity of national labour by giving different rewards to good and to bad labourers, thus recognizing the claim and interest of the Society as a whole, and lastly, which secures the proportionate rise of the individual labour-wage, with the rising productivity of national labour.

But a fair share for wage-labour would be thus only partially and imperfectly secured, unless a more complete system of social valuation of products in normal labour-coin instead of in metal-coin were introduced.

Rodbertus, in fact, wishes to see his normal work-labour-day (equal to ten working hours) made the common measure of the value of labour products as well as of amounts of labour. To all the above computations the most searching of all must be added: the normal Work-Labour-Day must be erected into work-time or normal time, and from this work-time or normal labour, according to this balanced average of labour, must be computed not only (1) the normal value of the product in every manufacture, but also (2) the amount of reward to be assigned for each contribution of work.

Let us suppose that it is possible, as a matter

of fact, to carry out these calculations. To effect the normalizing of the product-value according to work-time, or normal labour, it would be necessary to state the normal Work-Labour-Day (which in each kind of labour stands for one day, a varying number of hours, according to the nature of the employment), and which represents a product-quantity equal to a normal day's work, in terms of work-time or normal labour, and to divide it into the same number, of ten hours of work, in all branches of labour. By this work-time, the product of every kind of labour would be measured. A product-quantity which was equal to a full normal day's work, were it the result of only a half-normal Time-Labour-Day, or of two normal Time Labour-Days, would represent or be worth one work-day (ten work-hours); a product-quantity which was equal to half a normal day's work, whether or not it were the result of any specified normal labour-time, would represent or be worth half a work-day, or five work-hours, and so on. The product of any labour which represented one work-hour would thus, according to this scale, be equal to the product of any other kind of labour which represented one work-hour or, to express it more

generally—*products of equal work-time would be equal to each other in value.* This expresses approximately the view of Rodbertus.

A real normal Labour-Day, both Time-Labour-Day and Work-Labour-Day, would be indispensable for any industrial system which should seek, by a resolute State interference, to balance on the one hand, by the distribution of wages, "the claims and interests of the workmen among themselves," and on the other, for the sake of productivity, "the claims and interests of the workmen with the claims and interests of the whole people." It would be indispensable, not only for a State-regulated capitalism with private property in the means of production, such as Rodbertus conceives of as possible under a powerful monarchy, but indeed for every kind, and especially so for Democratic Socialism, if it is to return to the principles of the Eisenach programme, and make work and enjoyment proportional for everyone, instead of following the Communistic Gotha programme of distribution "according to reasonable needs." The only difference would be that any socialistic system would have to divide the whole result of production, after subtracting the

amount necessary for the public need, according to the rate of the contributions of normal time, and to assign the share of each in products valued according to the normal cost in work, while Rodbertus, who is an advocate of private property, would need to add to the above stipulations yet another, namely, the periodical regulation or *normalizing* of wage-relations in all branches of industry.

Rodbertus is quite clear on this last point: under the authority of the State, the fixed wage must also be established in every department of labour for the normal Labour-Day in that department, settled by the concerted action of employers and employed; and these settlements must be periodically renewed, and must also rise in proportion to the rising productivity of labour. Rodbertus indeed recognizes quite clearly the difference between regulated capitalism and regulated (non-communistic—non-anarchist) socialism. If the labourers only, he proceeds to say, had a right to share the national product-value, then each labourer would have as his due the whole result of the normal labour contributed by him, and the whole national product-value would be divided *among*

the labourers alone. For instance, if a labourer had contributed one and-a-half normal days' work in his whole normal Time-Labour-Day, he would then receive also in wages a return for 15 work-hours; but only a return for five work-hours if he had only accomplished half a normal day's work in his whole normal Time-Labour-Day. The whole national income, worth, say, X normal labour, would go in labour-wage alone, which would amount to the value of X normal labour. But such a condition of things, however much it may hover before the eyes of a labour-leader, is, in Rodbertus' opinion, wholly unattainable. Under no possible social conditions could the labourer demand the entire product of his normal labour: his wage could never represent the entire normal labour contributed by him: there must, under any circumstances, be first withdrawn that which we have to-day in the form of rents and profits of capital. Ground rents and capital profits Rodbertus regards as compensation for "indirect" labour, for the industrial function of the leadership of production: thus, even if the labourer in his normal Time-Labour-Day has contributed ten hours normal labour, he may yet chance to receive in his wages a return

for only three hours' work—in other words, he might be allotted the product value of only three work-hours; for the product-value of one work-hour might perhaps represent his contribution to the needs of the State, while three might go in each of what we now call ground rents and capital profits.

It is true that this further regulation of shares would be simply superfluous if once private ownership in the means of production were abolished; but from the Normal Labour Day, Normal Time, Normal Money, Normal Valuation of commodities and of kinds of labour-performance, no system of practical Collectivism could escape. It would rather be the case that Normalizing Socialism would undergo still further development, in that Normal Value would have to be altered backwards and forwards with the changing value-in-use of commodities and labour-services; for otherwise supply and demand could not be held in equilibrium, and the constant free circulation of the forces of labour among the various departments of it would not be secured.

Let us assume then, that this whole process of normalization would be carried out on demo-

cratic lines: would even so its aim and end be absolutely secured? Even allowing myself to suppose, in answering this question, that the management of the national industry were characterized by the best intentions and the best insight and perspicacity, still I cannot feel convinced that it would be so. In every department into which the process of normalization was carried it would practically meet with almost insuperable difficulties and enormous obstacles no less formidable than those which the capitalistic industrial system itself has to face in times of strikes. How will it be possible to bring about a common agreement among the various departments concerning an all-round fair reduction of the particular to the normal Time-Labour-Day? How is it conceivable that we should arrive at a fair average normal Time-Day for the several branches of the same department of trade, which would never be all equally favourably constituted, or at a generally recognised common measure of normal work between the various departments, and within each department between the various branch-concerns? How shall we constitute an effectual test of normal *quality* of work, and how ensure

reduction of recompense for inferior achievement? How will it be possible to regulate to the satisfaction of all the rise and fall of the normal scales of value, in proportion to the fluctuations of demand? How compute the values of the respective labour of many, which goes to the construction of a single product, and cannot thus be divided out into individual performances piece by piece? Even with the best organization, wherever normalisation was concerned with medium values, we should constantly lose the normal standard of the individual, that is, the exact remuneration of each according to his own merits, and moreover his co-operation in the work of estimating values. There would be an end of all individualizing free determination of the values of products and achievements. I do not therefore believe that Democratic Normalizing Socialism would accomplish better results or even as good, as in the existing national industry are at least approximately accomplished by the organized competition of prices in the professional sphere and in the markets of trade.

But how would it be if the democratic management of society turned out to be neither

intelligent nor upright, neither honest nor prudent nor wise? How then would the purely socialistic distribution of products appear when compared with the capitalistic system of wages, rent, and prices, limited by the law of a positive Social Policy, and regulated within those limits by professional concert, and by market estimates? Assuredly not to advantage. What possible guarantee would there be that the masses, the majority, with its unlimited potency, would always hit upon the right result, and that hence, under Democratic Collectivism, less unfairness would on the whole be perpetrated than under a well-ordered lawful Capitalism? There would be *no* possible guarantee, not the remotest.

Thus, Radical Collectivism would inevitably fail, even if realized in the most practically plausible form which has yet been devised for it.

The above critical exposition may be considered, I think, to exhaust the cardinal points of the best conceivable programme of Social Democracy on the industrial side, and to demonstrate the impossibility of the plan by the help of carefully thought out and most pertinent

considerations. It is evident that this very extreme of Individualism, which runs in the veins of Socialism no less than of Capitalism, fundamentally vitiates the promises of the Social Democrats. Democratic Collectivism is impossible and cannot even on the industrial side fulfil a single one of its promises. If it would become practicable it must alter its practice considerably and introduce authority into its scheme, with which addition Socialism would become conceivable, though it would even then be demonstrably no better than positive improvement based on the existing system of society. This would, it is true, be far from introducing the universal compulsory labour system, as some critics have declared, who by proving too much end in proving nothing, but neither would it result in that freedom and equality for all to which the proletariat aspires, and which Social Democracy holds out to it in prospect. For the sake of a nebulous improvisation, a visionary scheme, which bears plainly on its front the impress of the disappointment of all its promises—for the sake of this, Social Democracy is ready to break in pieces the whole existing framework

of Society, and with it the happiness of all the propertied classes, and to uproot the whole nation from the ground of its historic development—an impossible task, a hopeless undertaking!

Doubly impossible, dear friend, for not only the industrial interests, but also the equality of even more important non-industrial interests of the nation unconditionally exclude the system of industrial Social Democracy. Democratic Collective production is not compatible with that stronghold of internal and external security, that foundation of all order and authority, a powerful army. It is incompatible also with that basis of authority in the state, the church, the school, the family, and finally even in the industrial system, without which Collective Production itself must inevitably drift back into the primitive mire of anarchy, since without this it would be impossible to preserve the blessing of order. Democratic Collectivism destroys the very conditions under which alone this authority is conceivable, though, even were it combined with authority, universal Collectivism would still be undesirable. A further grave fault in Social Democracy, a fault which its critics often

share, and hence as a rule overlook, is that it sets questions of purely industrial reform, and such as up till now affect the condition of only a comparatively small section of the nation—the industrial proletariat—above all the other interests of the whole national life. An active endeavour to improve the condition of the industrial proletariat is a praiseworthy undertaking of the highest order, but it has not so imperious and overweening a significance as that the whole historic development of society should be shattered, and everything else be set at stake because of it. If we bear this in mind, we shall find a complete justification for many things in the existing state of society which are in themselves offensive, and which would not be admissible in the ideal construction of the best system of Production and Distribution in the abstract. The economic system of any people has to be in harmony with all other sides of the national life, of which, indeed, it is the regulated and orderly system of support and nourishment. It must be subservient to the imperious needs of Religion, Politics, Law, Education, Art and family life, both socially

and for individuals. If these other interests, as well as the industrial interests of those classes who do not belong to the industrial proletariat, demand the maintenance of capitalistic production in the sphere where it is most advantageously and economically applicable, if they demand as the basis of order, of state authority, of education, of family unity, the continuance of unequal distribution which is not in proportion to production, if they demand a portion of the revenue to be set aside for a well-paid official administration, for a nobility, which cannot exist without a holding of ground-rents, for the class of the *entrepreneur*, which cannot be without dividends from Capital, if they demand revenues from rent and taxation for institutions of general public utility, for Mutual Benefit Associations, for the care of widows and orphans, then all these essential features of the historic development of the State as a whole must be retained, and only be so far improved in detail as that the wage-labourer should have the chance of leading an existence worthy the name of human, and of *following his* profession in the service of society under the protection and with the respect of the whole,

thus finding such a measure of happiness as is attainable for mankind. But the critics of Social Democracy have hitherto missed their best grounds and most powerful weapons of criticism in that they too have failed to withdraw the bandage which blinds the age. They have been only too ready to accept the *absolutism of the materialistic economic view of Society* held by the ruling representatives of the industrial proletariat. When once this limitation of the boasted enlightenment of our "Age of Material Interests" is withdrawn, Social Democracy will fall to the ground as a most monstrous exaggeration. This view does not however prevent me from recognizing that to the critical and scientific supporters of Democratic Collectivism belongs the assured credit of having stirred up and necessitated an era of positive reform by their criticism of all the evils of the liberal-capitalistic age, and that in many an agitator among the Social Democrats is undeniably to be seen a spirit of noble striving and an idealism which puts to shame the more fortunate classes, and which sometimes rises to the level of martyrdom.

So much for the industrial criticism of Social

Democracy. The ultimate aim of this party is, as we have seen, an equal obligation for all to perform manual labour, as well as to perform by turns all the different kinds of manual labour, in the interests of equality, and for the purpose of securing to all an equal distribution "according to reasonable needs." Not a more or less professionally organized collective industry with popular control of promotion and industrial leadership, nor yet such a system supplemented with distribution of the result according to the social value of the labour contributed by each, in the sense of Rodbertus, but an exclusive and democratic collective production with a universal labour-obligation, equal enjoyment for all, and no superior aristocratic requirements for any—this, and this alone, is in question. The Gotha Programme of 1875 leaves no more room for doubt on this point.

I think I have already made it sufficiently clear that Radical Collectivism is an industrial impossibility, that it cannot fulfil all that it promises, that it means neither freedom for all nor equality for all, that it cannot ensure either the progress of the whole by virtue of the

superior achievements of individuals, or the progress of the individual in his own sphere. A crowding together in everything of all with all—a sort of refined reproduction of the non-differentiated industrial system of barbaric hordes—already characterizes the social democratic industrial system. Nor can it fulfil even on the material side of life as much as does the existing industrial system. Even supposing all worked alike at manual labour, no one would be properly speaking a professional worker. Higher results will not be attained if those whose work has hitherto lain outside the production of commodities must also put their hand to production, and can only give, as manual labourers, far less activity, and that only of a dilettante order, in home services, in schools, in the administration of central and local authority, in education, art and science, in culture, and in spiritual concerns.

Least of all should we arrive at a universal Three Hours Day, or even at the preliminary Eight Hours Day, which, at best, is only conceivable on the ground of the development of the most cultivated and the most efficiently regulated professional production, to which point I shall

recur in the next letter. But it is the shortest possible universal labour day, for the sake of which Social Democracy has built up the dream-edifice which we must now examine more nearly, of universal equality and freedom alike in the State, in the relation of the sexes, in social intercourse, in education, art and science.

Let us now really take leave of Social Democracy as an industrial system, and enter upon a searching examination of what it would be in other respects: and first of what it would be as a *State*.

The Social Democratic State? In the early programmes it was to be the "State of the People," "the Free State." In its passage from Gotha (1875) to Halle (1890), the communism of Marx under whose spell Social Democracy stands has dropped "the" State just as in the same transit it has thrown off the last remains of Proportional Socialism, the recompense of each labourer with the full result of his work, replacing it by the purer Communism of the giving up of all the products of an equal labour-obligation for distribution "to each according to his reasonable needs."

Social Democracy maintains that the "State" is an exploiting force, and hence not compatible with the Social Democratic commonwealth. If this means that the State as hitherto existing must come to an end, that in future elective governing organs must alone exist, and elective commissions for administration and committees for the preparation of projects of law; in fact, that the whole governing power, both legislative and executive must in future rest upon the choice and vote of the people, then it is true. But no social system would be able to stand at all without the State as an organ of compulsion for the united will and action of the whole community. It exists in embryo even in the pre-nomadic conditions of hordes, it was present in the primitive Communism of the pre-patriarchal days of "Maternal Right." Every community in every stage of development has and must have the State in this sense. And Social Democracy would need it and would just about have it! It would need and would have the state with a sphere of influence and with an omnipotence such as it has never had in any pre-existing social conditions.

For Social Democracy the State is a necessity first because under it more, we may even say everything, must be conducted, ruled, and normalized by the whole community. But still more is it necessary because other springs of order which have hitherto had play—family supremacy, the chief of the business enterprise, the ecclesiastical and military authorities—would no longer exist, and would need to be replaced by an all the more strenuous civil power in the all-embracing public life of the people. Even granting the dreamed-of dissolution of the towns and the establishment of uniform communes dotted over the face of the country after the fashion of a chess-board, a strong government, legislation and administration would be indispensable, even more indispensable than in the existing state of society which does not rest upon a directly public production of commodities.

But Social Democracy in its most special programme confessedly has the State. *The governing State consists of the whole people*, and the committees appointed by it bear a delegated governing and administrative authority. The whole people would henceforth be at once regent and legislator, and we should

have pure or representative Democracy. This would be the Universal State or Panpolity, in an incomparably higher degree than at Athens at the climax of popular sovereignty. The many-headed monarch with his chosen State officials would be an all powerful unlimited force.

Social Democracy, therefore, both needs the State and will have it. Its public life would consist of the government of everything by all, legislation on everything by all, administration of everything by all, and through elected representatives of all. It is very evident that such a State would never possess a government capable of discharging its great office, or an official system which could guarantee good administration or a legislative organ which could ensure wise enactments. To rule, administer, regulate, would be within the reach and hence within the desire of all, but they would soon find themselves weighted with a wholly unworkable constitutional system. Not "the" State but the practically efficient State would be at an end. There would be a State all of whose organs and activities were in a constant state of flux among themselves, a tardy and distorted image of the pre-patriarchal

communistic horde-state in which all the organs and functions of public regulation and business are lost in each other. Even if the very name of State be avoided and forbidden, authority, government, legislation, administration, would still be there, the concealed or Crypto-State would be unavoidable.

Social Democracy contends that in this Crypto-State exploitation and abuse of power could not exist, for that all therein would be free and equal: tyranny and servitude would be impossible since the whole nation would directly rule and legislate, and the administrative committees or boards would consist of "labourers," possessing no independent powers, enjoying no special honours, and drawing no official salary. But under these circumstances not "the people" but the majority would rule in everything. How could it be otherwise than that the ever-fluctuating majority of the sovereign people could exercise the most monstrous oppression both over minorities and over individual citizens, both in the ordinary opportunities which authority affords, and in the business arrangements of collective state-production.

Would then this one circumstance—that every elected administrative agent would be a "labourer," that is, an industrial and productive worker, in short a labourer in the sense of a manual labourer—guarantee us against every possible abuse of delegated power? There is of course no doubt that by far the larger number of administrators, as also the "labourers" who rule and legislate by their votes, would in their public capacity be entirely without understanding of almost all that they ought to understand. But that this universal dilettanteism in government, legislation and adminstration, would be entirely free from caprice, would shew no tendency to unfairness against party opponents and personal enemies—especially against pre-eminent and superior personalities—that no one would attempt to secure his own advantage, and—although without the stimulus of orders and distinctions, without a sceptre in his hand and with no salary in his pocket—that the manual labourer would never attempt to make an irresponsible use of his delegated power for purposes of oppression and exploitation—such a result is not only not secure, it is a most improbable if not an entirely impossible one. The

leading rams of the modern democratic flock whom all the sheep follow would be the sole actual legislators, rulers, and administrators, and would in all probability not be of the best and most capable, but the most thorough-going demagogues, the most successful flatterers of the many-headed monarch. Party payments, and probably also popular payments for the Sunday and holiday work of voting and for the week day labour of delegated administration would by no means be excluded. It is clear that the universal horde-like condition of the State with manual labour for all men and women alike would render it totally unable to cope with the immense task which would confront it in a social system where everything, both within and without the industrial sphere, was carried on entirely on a public basis. Moreover, the so-called popular State, the community of Social Democracy, would be in an incalculable degree exposed to exploitation and abuse of power. If the course of history is to bring us a further development of state production it will not be accompanied with the curtailment of the modern state, but rather with its more perfect organization and differentiation

in all three spheres, government, administration and legislation.

If we ask ourselves, dear friend, how is it possible that any one should have recourse to the Crypto-State of Communism and believe in its practical efficiency ?—there is no difficulty in finding a true and satisfactory answer. The whole conception springs out of an application of extreme Individualism to the State, in fact, from *Political Radicalism.* The individual as such and every individual must rule and legislate, administer and judge, or at least have a full and equal right with every other to elect organs and tribunals to do so. The men of our time have no longer power to grasp the conception that the nation, not only as the sum of its individual units, but as an ordered system of civilized and united institutions and combinations, should be knitted up into a real state-organization and the true life of a state, that it must needs possess a special trained and cultivated organism, and not one that may start up in one week ready made from out the masses of the electors, only to be sacrificed to this Moloch again the next. For everywhere in the political sphere the

illusions of extreme Individualism prevail. Social Democracy has only taken up the notions of pure political individualism, exaggerated them somewhat, and practically extended their application throughout the whole range of social life. This Political Radicalism finds expression in the belief in the absolute superiority of the pure and unrestricted sway of universal suffrage. It commits the extraordinary error of confusing the momentary will of the majority as expressed by means of universal suffrage with the actual *will of the people*, and permits itself the entirely groundless assumption that the committees and delegates of the temporary majority of the masses will represent the best universal will, the most complete form of political expression of the people, the best agents for the political activity of the nation.

For the last 21 years, as you know from the earliest days of our acquaintance, I have desired to see a share of political life given to all adult and honest males. But I am also convinced that the political will of a nation needs yet other agents, and must be supplied with counterpoises; that a complete State-Organism can never result from the fluctuating decisions of

the majority expressed through universal suffrage alone, and without being associated with any such efficient counterpoise; that the inevitable issue of disregarding this would be that most terrible and desolating of all despotisms, I mean mob-rule. Universal suffrage, as I shall here only indicate, but in my next letter shall work out and establish more in detail, must neither be under-valued nor over-valued. Universal suffrage, with universal right of choice and candidature, requires either strong pillars of old authority in monarchy, army, nobility, capital, administration and the Church, or to be strongly supplemented by definite corporative representation, of which I shall speak in my next letter. Under these conditions it will, as I believe, accomplish better than any other system the task which can and ought to be fulfilled by the vote and by the vote only: that of interesting the whole State in the government, of laying before the governing organ all its grievances and its desires, of forming a popular chamber, not only deliberative, but also with powers of regulation and administration, and independent of the ruling power, either with or without a Senate, a Popular House

which shall have a share in legislation, a power of influencing the executive through the voting of supplies, of controlling or opposing or giving an impulse in any direction to the government, in short of warding off the perils of Absolutism. On the other hand, it is unmistakeably evident that without counterpoises, universal suffrage would be dangerous, and it would in fact, be simply destructive in a state so much in need of a basis of authority as the ideal state of Social Democracy. It is no less evident that even universal suffrage does not and can never produce the equal freedom of all in the State, the famous "Sovereignty of the people." What becomes of the vaunted freedom of the political volition of all when a million electors must constantly hand over their will for the space of three years to some popular representative who will have to handle quite unforeseen issues, while perhaps a minority of not much less than half-a-million is obliged to put up with this delegation of power sorely against their will? What becomes of the equality of political influence when the great majority, about four-fifths of the population, is excluded from voting by disabilities of sex

and age, while of the remaining fifth, a third is regularly unable to vote; and of the rest, only $\frac{2}{15}$ of the whole, a third again is eventually outvoted; and then this ultimate remainder—only $\frac{4}{45}$ of the whole people—hands over its will to 400 delegates or representatives, out of whom 300 only at the very most regularly exercise their vote in the House, so that ultimately a decision may be made by 151 persons?

This is possible under universal suffrage, and more or less frequently it actually takes place. There is no such thing as the realization of the "will of the people" through universal suffrage, the individualistic "Freedom and Equality," the so-called "sovereignty of the people." There are many kinds of political volition expressed by the people through the vote. There are many currents and counter-currents, and numberless side-eddies on the wild expanse of the voting sea. But there is no simple homogeneous *will* of the people, except as expressed in its chosen organs of government, of which under a constitutional Monarchy popular representation is a part and parcel. It is possible that the State machinery might be provided entirely by popular representation

if certain other guarantees were afforded it. The pure popular State with collective production does not afford these guarantees. It cannot realize political freedom and an equal share of power for all. Indeed, *it is less fitted than any other kind of State to produce a purely democratic exclusive and all powerful system of popular representation*, since it more than any other demands a firm basis of authority.

You further particularly wish to know my opinion of *Female Suffrage*, in as far as it bears upon the new State of Social Democracy. I must at once unconditionally allow that Social Democracy as a levelling and thoroughgoing Radicalism is only consistent when it admits the right of *everyone* to vote and be voted for in every department. The Commonwealth of Social Democracy cannot possibly be without the unlimited extension of Female Suffrage as well in Politics as in Industry, the entire politico-economic emancipation of the female sex. If every woman as well as every man is subject to the universal obligation to labour, that is, the obligation to industrial labour in collective production for the whole society, accompanied with distribution according to

reasonable needs, if the woman is to do without the judicial sanctity of the marriage-tie, if she is to hand over her children to public nurseries and public educational institutions, in short, if the family is to be no longer a small industrial, social and educational community represented by the father, but is to be broken up into its individual atoms, if Individualism is to be carried to its highest pitch, then man and woman alike, both in state and industry, must be allowed full equality of rights, the most complete emancipation, and therefore naturally political suffrage and rights of candidature. The political emancipation of woman is the inevitable consequence of Radical Individualism, and hence, necessarily, of Social Democracy, which has in fact introduced it without limitation as a feature of its Crypto-State—which repudiates even the name of State.

Properly speaking, children under age ought also to have a share in the State through increased voting-power in their natural guardians, since they are no longer sufficiently represented by their father and mother, but are exposed to much risk in the public orphan asylums. But we do not find much movement

in favour of the emancipation of children, not even of the establishment of political representation for every individual child!

Nevertheless, Female Suffrage, for which I formally declared myself, with certain limitations, when under the glamour of John Stuart Mill's writings, can only be absolutely accepted from the purely individualistic standpoint, and that of the loosening of family unity and stability. But those who believe that the marriage tie and family bonds can and should be and remain as a general rule indissoluble, those who do not hold that every woman *must* be a productive worker outside the sphere of the family—the great majority of women have always been in some sense *workers*—but that they all of their own free will alone may become producers and bread-winners, those who only wish to emancipate the woman in this sense, which is quite in keeping with existing conditions and moreover cannot well be prevented, such as these are not only not unavoidably committed to universal female suffrage in the political sphere, but they are in my opinion quite definitely and without circumlocution forced to refuse it.

Even if the woman have the right to vote in clubs of every kind, in labour-unions and so on, in so far as she steps out over the threshold of her home, or carries on *independently* branches of business charged by the parish or the State, if she even takes a share in some future representation of labour in the organization of labour-protection, even yet we should be far removed from the political emancipation of all adult women and their full equality with men in the life of the State and Municipality.

It is my opinion—and I shall presently give my reasons for it—that the firm family bond between husbands and wives, parents and children, is not destined to destruction, but rather to a more perfect development: every loosening of the bond would tend only to the emancipation *of the man from the woman*, to the loss for the weaker sex of some of their strongest supports, to their abandonment by men, to a relapse into a Hetærism in the highest degree derogatory to feminine dignity. But if it is true that the stability of the family bond is so indispensable for the highest development of civilization, it follows that the great majority of women as a rule are not, or at least not pri-

marily, suited to be productive labourers outside the walls of the home. They are and will remain wives and mothers, integral parts of a stable family unity, and will still have in the man their lawful head—with due limitations imposed by custom, by private law, by administrative, punitive and corporative justice —and their protector and representative as against the world without. The majority of men will not refuse in political life the protection which they owe to the weaker sex. The woman is represented by husband, father, brothers, in the only worthy and by far the most efficient manner. Even widows and single women, some of whom there are in every family, are not without this representation. If once men grew so bad as that they would use their parliamentary superiority to oppress and enslave their wives, widows, and spinsters, and refuse them due protection in private and public legislation, in family conjugal rights, and in labour, under such a state of things universal female suffrage would not be of the slightest avail.

But this is only one side of the question, namely, its criticism from the individualist

standpoint. There is the no less important social interest to be considered, the question whether the woman is not unfitted for direct participation in political life, whether the entire family life of the nation would not be ruined by politics, and the whole of politics by the atmosphere of perfumes and gallantries and coquetry, especially if the woman lived the rest of her social life among the men, if she had exchanged the life of the family for an immediately public life. To these questions the only possible answer is in the affirmative. The "eternal feminine" with the addition of the feminine in public life and even in the State, would certainly not elevate us all, but rather most certainly drag us down! The commonwealth with Democratic Collective Production would be rendered doubly unmanageable by the emancipation of women. A refined reproduction of the supposed "maternal sovereignty" of the primeval time, or of the historical sole or joint sway of the woman in the state, evidently does not recommend itself either from the standpoint of woman's interests or from that of the social interest of the whole community.

If you have now formed a clear conception of

the Social Democratic State with unlimited universal suffrage, including female suffrage, you will no doubt think with me that it does not afford guarantees for the fulfilment of what it promises, indeed, that it can by no means achieve what it holds out to us in prospect. It destroys, instead of improving, the organs of government, legislation, and administration which history has bequeathed to us, and takes us back to a grotesque refinement on the community life of hordes. It does not in the least guarantee freedom and equality.

But the best of all is, and if it were not such a fearfully serious matter it would even be amusing, that Social Democracy still needs "the" State, that is, the State as already existing, just for one trifling service, for the "expropriation" of the old Society, and for the introduction of the Social Crypto-State. For between "the" State and the millennial kingdom of Social Democracy we are to have an epoch of cheerful "dictation by the proletariat"—or rather by the leaders of the proletariat—put in as the "last act" in the drama of "the" State. Nothing is of more importance than the historical continuity of

Radicalism for the purpose of practical secession from its idea of the State! This dictatorship would assuredly take good care that there should be no really popular State and would hurl the State of the future back into despotic forms, monarchical tyrannies and the reign of the sword.

Honoured Friend, the political question of Female Suffrage has already brought us within the circle of Social Democratic ideas concerning the constitution of the family. I wish here to deal with this subject a little more in detail. You write that you have quite recently heard very extraordinary accounts of the prospects of *Free Love*, and of the educational system as conceived under a Social Democratic order of Society.

Yet I must premise at the outset, that in no official programme of the party do we find any definite statement as to family life in the Democratic Social-State of the future. We must not ascribe to the whole party those pictures which have been painted in such glowing colours by the writers of romance, even though "leaders" may have had a share in their production. I am even convinced that

after a very short experience of them, the workers, and still more, their wives, would in an overwhelming majority decline such advantages with thanks. All these claims have been, however, logically thought out.

In order to understand the supposed justification of the communistic system of family life and education, we must needs give a hasty glance back upon the history of culture. I ask you kindly to follow me through this process, in so far as I can be your guide.

It is said that the polygamy of the nomadic and agricultural patriarchs in early times, was preceded by a system of "*Hetærism*," that is to say, of absolute promiscuity, so that relationship was counted on the female side and not on the male. Much has been written on this subject since the epoch-making work of *Bachofen* appeared. I do not presume to have an assured opinion as to the value of these contributions to primeval history, but I think I may venture so far as to say that none of the sources of information hitherto brought to my notice, render it absolutely *necessary* to infer a previous matriarchal stage as the latest phase of primitive Communism. For the rest, there is no occasion to deny

the probable pre-existence of circumstances of sexual promiscuity upon which polygamy itself was a progress, and in which the *mater certa* naturally gave rise to the system of kinships on the female side. There may well have been a sexual horde-communism to match the industrial.

In which direction has the development of family right since those days proceeded? It has without exception most markedly proceeded away from Hetærism and the kinship through maternal ancestry by separate stages towards the modern family!

Maternal kinship historically preceded paternal (tribus, gens, γένος, clan), as a family relation. Next, even kinship through the father (patriarchy) slowly and gradually gave place to the feudal and corporate family bond, and finally this again gave way to the modern family through the liberation of the married couple from dependence on their kinsfolk. The history of the family hitherto has led steadily further and further away from *Hetærism*. In the horde, from which the development started, the wild and dog-like mixture of the sexes which Espinas has shewn (in *Les Societés*

Animales), to be most suited for the animal societies, such as the pack of hounds, the flock of sheep, the herd of oxen, was to some extent possible and not incompatible with the continued existence of the social community. But on the high levels of the great civilized nations it is in every respect impossible. To man alone among all creatures endowed with social instincts it has been allotted to draw more and more closely together the bonds of parent and child by means of monogamous unions which gradually outgrew the jurisdiction of the rest of the tribe or race, in order thus to make the family and family responsibilities by means of "Capital" an organ for the carrying on of production, by means of hereditary monarchy, an organ in the government of States, and in every business-relationship all unconsciously to itself the mainspring of the due performance of social duties. This essential distinction of the whole human race the consistent fanatics for equality would drown in a new modern Hetærism, which would not even possess the advantages of the primitive maternal descent as described by Bachofen.

The development of family life is still pro-

ceeding further and further in the same direction. Before the eyes of the last generation, there was accomplished a diminution of the significance of the relationship of cousins, and even of brothers and sisters, and a number of duties which formerly were exclusively bound to the family—those of education and instruction, the teaching of handicraft, the care of the sick, household pursuits, cooking, store-keeping and so on—are passing over into the domain of the School from the kindergarten upwards, and into the domain of industrial training and higher educational institutions, into hospitals, industrial departments, industrial female labour, cook-shops, co-operative provision-stores, &c., &c. In towns this process is already far advanced. Do we see in this a loosening of family-bonds? Quite the contrary, it rather betokens the more decided and ever-growing development and training of the family for its most essential task, that of more intense and more living communion between husband and wife, between parents and their own children, for the ever purer and more self-complete evolution of the union that is based on the propagation of the species. Nor will progress begin at this

stage to consist of a refined reproduction of Hetærism!

This office of family life, namely, the propagation of the species, must be regarded from two sides—first as it affects the whole nation through the renewal, increase, and improvement of the population, both quantitative and qualitative, and next as to what it means for the personal happiness of all individuals. The fundamental question therefore which Socialism raises is whether on the existing level of civilization the progress of family development is to follow the same lines as hitherto, whether this kind of progress is the best for the healthy movement of population and for the sum of individual happiness within the whole nation. According to the answer which is given to this question, will it be determined whether we are to agree with or to refuse and oppose certain extreme views as to the family which are held by various Social Democrats. By these extreme views I mean, first, the substitution for a stable marriage-tie of a system of temporary unions, whether terminable by notice or not binding at all, or Free Love in this sense, and secondly, the

more or less complete substitution of State education for family education.

You will allow me to approach the subject first from the Social standpoint, that of a healthy movement of population.

The most prominent feature in a population-policy is to favour those movements of population which tend to keep constantly filling the available margin of support with the best possible inhabitants, to check as much as possible the over-increase of population beyond the compass and degree of the advance in the means of their support—that is to say to oppose both depopulation and under population as well as over population, reference being had to all the accompanying circumstances both of space and time.

On the various stages of development there will be varying systems of family life which will best attain these ends. At the level of the pre-patriarchal horde it is probable that the relatively best system for the preservation of the race was that of universal sexual promiscuity on both sides : on the level of the primitive nomads, polygamy, later on the marriage-system of the agricultural patriarchs, then the feudal, the old bourgeois system, finally the modern

type of marriage. I will not here weary you with a more detailed justification of this view. I will only concern myself with establishing that for the near future, as far as our eyes can see, the continued existence and further perfecting of the stable marriage-tie between one man and one woman offers the best prospects for the Social movements of population.

The stable society of the family consisting of a wedded couple and their children, the fuller its responsibility and the deeper its intensity, sets the more bounds on the one side to over-much propagation and hence to over-population: if husband and wife belong to one another for life and have themselves to care for their own children, instead of forming fugitive unions and then delivering over the children to the national educational institute, there will be greater prudence exercised in contracting marriage, while the duty of caring and providing for wife and child acts as a preventive against premature and reckless propagation. But the firm family unity acts also in the highest degree as a preventive against the other extreme danger of population-movement, namely that of insufficient propagation,

resulting in under-population or depopulation. Married couples permanently united and secure of the society of their children will always be ready and willing to have as many children as they have a reasonable prospect of being able to support. This will far more effectually set limits to the dangerous and offensive practice known as the "use of preventives" than any marriage for short periods, and the production of offspring not for their parents but for the Society. If I am even approximately right in these conclusions it follows that for the existing and approaching levels of the development of culture the stable family union of parents and children improved and rendered more secure by advances in hygiene, police supervision of dwellings, insurance, and the protection of labour, will pre-eminently serve the cause of progress from the point of view of the fundamental questions of the preservation and increase of population. It is my conviction that were free love and pure State-education of children to be introduced in Germany and Austria we should first have an outburst of increasing population among the lower classes and in the youngest generation,

but that this would subsequently change and we should have to face the dangers of population at a standstill or even decreasing, as was the case in ancient times and to-day already in France. And moreover the full, common, and enduring interest of parents in the education of their children will prove more favorable to raising the *quality* of the population than exclusive State-education.

I hope I have now given you adequate grounds for my conviction, that however much family life may offer room for further improvement, and require the support and fostering care of public institutions and regulations, yet the indissoluble union of the wedded pair with each other, and with their children, deserves to-day more than ever to be preferred to any kind of refined Hetærism, for the sake of the healthy movement of population.

The "reform" of the family in the direction of "free love" and "equal" State-education, has a significance not only for the preservation and renewal of population, but also, and this in a higher degree than almost any other question, for the *personal happiness* of *individuals*. Let us examine a little more closely on this side also

the family life of Social Democracy, and first the main feature in it, namely, "*free love.*"

What then would be the result upon the happiness of the people, if there were no longer any binding marriage-union, if marriage were to become a contract which could at any time be entered into or dissolved, and that was not in any sense binding? The great majority of the weaker sex would lose the assurance of the support of the stronger, and the adjustment of the inequality of wage-earning power between the sexes, which to-day is accomplished by the stable marriage union, would be lost, without the woman's being able to gain any more through her emancipation than she already possesses to-day through the man, or can earn by her own capacity. An immense proportion of the happiness engendered by the love of husband and wife, parent and child, would be destroyed, and the true and purely human nobility of the office of propagation be lost; or at the very least, all this happiness would be constantly threatened and never in any degree secure.

It is true we are told that things would for the most part remain as they are, and marriage

unions would still for the most part remain constant: free love would only be called into play for the loosening of unhappy marriages. Then why not let the stable marriage-tie be the rule, with separation allowed in cases where the marriage-union has become morally and physically impossible? Why not have at least the existing marriage-law as among Protestants? But the whole statement, even if made in good faith, will not stand examination.

What then is an "unhappy" or relatively a "happy" marriage? No one is perfect, and therefore, not a single marriage can ever hope to be entirely "happy." First love must always yield to sober reality, after the cunning of nature has secured its end for the preservation of the species. In the indissoluble life-union of marriage, with the daily and hourly contact between the inevitable imperfections of both parties, there necessarily arise frictions and discords, which, if severance is free, will only too easily give rise to the most ill-considered separations from the effect of momentary passion: and all the more readily if the one party have begun to grow at all tedious to the other, or pleasant to a third party. The very

essential advantage of the stable marriage-tie is just this, that it secures the peaceable adjustment of numberless unavoidable disagreements, that it prevents the many sparrings and jarrings of private life from reaching the public eye, that it allows of openness on both sides, and avoids the possibility of pretence, that it induces self-denial for the sake of others, that it insures a greater proportion of mutuality in both spiritual and physical cares for the general run of wedded couples; in short, that for the majority of cases at least a relative possibility of wedded happiness is attainable. Therefore the indissoluble marriage-tie must still remain the rule, and separation the exception, confined to cases where its persistence becomes a moral impossibility. But it is clear that if once the emancipation of woman made it general for her to step out of the home into public life, and if once the bond of common love and common care for the offspring were loosened, or even weakened, frequent marriage changes would very easily become the rule, and permanent unions only the exception. The training in self-conquest, in gentleness, in consideration for others, in fairness, and in patience, which

the present family and wedded relations entail, would also be lost in the entrance of all into public life outside the home. The gain to separate individuals in point of sensual gratification through fugitive unions, would be very far from outweighing the loss of the ideal good attainable by man, and by man only, through the channel of marriage.

Neither would "free love" be even sure to exterminate prostitution, although this has been claimed for it. Those individuals who were least in request, and even others, more favoured, would be tempted, even with "certificate-money" of the popular State, to take and give payment for love not freely bestowed. But even free marriage, without any question of payment, might to a great extent, and probably would, cause the level of sexual intercourse to fall to the coarse sensuality of prostitution. It is therefore not possible to link the question of prostitution to the abolition of the stable marriage-tie.

It is no less certain that existing marriage rights and married life are susceptible of further improvement, but this is not to say that the problem of their personal, moral, industrial and social amelioration will be solved by facilitating

for everyone the breaking of the marriage-tie; we may rather look to solving it by restoring, perfecting, and generalizing the external and moral conditions of the highest possible happiness in binding unions This can be done without Social Democracy, and cannot be done with it. The new Hetærism of Free Love reduces man to a refined animal, Society to a refined herd, a superior race of dogs and apes, even though all should become productive labourers, and spend a few hours daily in manual labour.

The second fundamental change to take place in family relations, which we have to consider from the point of view of individual happiness, would consist in the substitution of State-education for family-education.

I say, advisedly, "substitution." State-education side by side with and supplementary to family education obtains already to a very large extent in our own day. We are both of us in agreement with the generally received opinion that public institutions for education and training are seasonable, and are worthy of every encouragement and improvement. Especially where family life

is threatened by the factory system, women and girls have a just claim to public care and protection. The protection of children, also, by means of the Crèche, the Boys' Home, and other kindred institutions, is also probably only the beginning of a far-reaching system of family protection at the cost of national production, for those exceptional cases where home education is of necessity lacking. But with none of this are we concerned here.

The question in presence of extreme Social Democracy, is rather this: whether family education must entirely give way to public education and the general Orphan Asylum and general Foundling Home, whether the children shall become modern horde-children, whether their parents would only see them or be able to play with them in the "many hours of leisure" to be secured them by the Social State, or whether the parents shall keep their children with them as hitherto, preserving a community of life with them and exerting a determining influence upon their upbringing. Cloak it as you will, there is no disguising the fact that in the Social Democratic Commonwealth which demands equal and

universal Popular Education the public training would not simply supplement family upbringing, it would of necessity weaken and ultimately supersede it. The children, almost from their birth and cradle, would be the children of the nation, not of the family.

This system of education, this tearing out of the second chief ingredient of the indivisible living unity of the inmost family circle, robs the overwhelming majority of the people, whose well-being it is designed to secure, of the highest and purest form of happiness, and of that very form which differences of outward circumstances down to the very lowest conditions almost entirely fail to touch: this happiness would be sacrificed to envy. This same system would very appreciably weaken the desire of parents to work hard and to leave behind them a large legacy to the future of both public and private wealth, and hence would seriously damage the collective prospects of accumulation of the means of production. Further, it would tend either to make parents indifferent to the lot of their children, which would be prejudicial both to the child's happiness and to its good upbringing, or to se

the parents constantly in arms against the organs of public education, which would place the gravest obstacles in the way of the public education system. But I cannot do more than merely indicate all this, however important it is. This one point is decisive, and turns the scale against public education: that *it would unquestionably not attain its Communistic end of reducing all to a level of personal equality. Inequality of external possessions may be abolished but inequality of personal endowments never!* For this very reason *the contest between the different Social strata and between different individuals, between greater and lesser personalities would not cease.* The struggle would rage more fiercely than ever, either by cunning or by violence. The destruction of private property in the means of production will not compass the end of communism, nor will its corollary, public education, ever succeed in effecting the personal equality of all.

Even were our children to be laid in State-cradles from their very birth, not for many ages would the equality of all men be the result. J. Jacobi, the bourgeois democrat, had a saying—"Everything that wears a human

face is of noble race." Yet all men are equally noble only when regarded in contrast to the brutes. Among themselves they have inequalities of nobleness, no two wear the same face, engraved with the same story, and behind no two faces does the same meaning lie. As each one for all time has but one father and one mother from the moment of his birth, no State-education can avail to produce equality. It would destroy the love of parents for their children, and of children to their parents, and by sapping all the springs of individuality would prevent all possibility of an individualizing system of education on the part of the State. The universal setting aside of family nurture in favour of State-nursing is inconceivable. Even in the bee-community the nurses who are at the same time the only female workers, who kill the gallant males and bring up the children of one royal universal mother, are at least sexless individuals: but in the social state this is physically and morally impossible, nor would it be democratic or on principles of equality. Now, since even with free love children would still come into the world unalterably unequal,

the inequalities in their development would still repeat themselves, and possibly even increase, under a system of public education. We shall never succeed either in making all men *virtuosos*, or in making them all mediocre. Moreover, an exclusively public education could never accomplish what parental training, allied to public education, can do. The parental upbringing of the children is a no less indispensable and necessary part of family life than the rule of permanent marriage-unions. Such marriage unions indeed derive their second fundamental justification from the importance and necessity of parental upbringing.

Nor is it either necessary or desirable that all should receive equal education and culture; on the contrary, it is better for each one to lay out the talent committed to him at his birth, to bring in profit for his own satisfaction and the advantage of the whole. The rise of genius, capacity, and talent of every kind must of course be made possible in all classes. Communistic education would neutralize this advantage: while I shall further indicate in my next that a positive Social Policy might realize this claim of all to education in proportion to their endowments.

You will now, I think, be ready to admit that the Communistic Hetærism of the consistent Social Democracy, both in propagation and in education, would mean an immense backward step, both as regards the fundamental social question of the healthy movement of population, and as regards the highest sum of individual happiness which may be engendered by procreative unions. But I have still to draw attention to the fact that a refined Hetærism and a modern system of tribal or horde-management of children is not necessary to Industrial Collectivism, nay more, that it would necessarily place great obstacles in the way of this last, and that *free love would give rise to a gigantic aristocracy.* Let me give a few lines to the discussion of this.

Free love would by no means secure equal sexual gratification to all: for the most voluptuous, the most attractive, the healthiest, and the most coquettish would inevitably secure by far the largest share, while there would be none of those softening and ennobling influences which in the case of stable marriage-unions constitute a corrective of the sensual by the moral side of sexual intercourse. A really

consistent Communistic system, therefore, would not admit free love according to individual choice, but rather love by turns, regulated on a basis of equality, the actual supply of women for all the men desiring them, and *vice versâ*, a universal sex-communism, the Hetærism no longer of the horde but of the organized Social State, this is what it would require from the point of view of an extreme and levelling Individualism. Free contract results in actual "appropriation of the increment" by those who attain and possess the most coveted prizes. And free contract which is to be banished from the domain of popular industry will not be any the more communistic in family life because the true communistic Hetærism is a little too much, even for the Social Democrats!

To this it must finally be added, that from the standpoint of Industrial Collectivism, *both free love and public education are absolutely and entirely superfluous.*

Of course, to begin with, this is so with a possible system of "authoritative" collective production. If all were the official productive agents of the community, they could all enjoy

that private family life which is on the whole by far the highest kind, as much as do our innumerable State-officials, corporation and church-functionaries, and scholastic professors. But even Social Democracy, considered merely as an Industrial Collectivism, would not necessitate the abolition of the modern family in any of the great functions of Society. It is true that, with the right of private property in the means of production, the right of bequeathing them, and the private ownership of Capital would be cut off: but if subsequently Democratic Collectivism were to accomplish such immensely superior results, the family would not tend to reproduce Capitalism, hence the abolition of the family would be by no means necessary to Collectivism. The family would rather ensure a higher productivity to the Social State by the enhanced interest of parents in each other and in their children, a superior system of management for the process of production, more careful training, better discipline and more assured obedience towards social superiors. It is only jealousy or alarm at the superiority of certain families, only the Utopian striving, which would reduce all

individuals to mere Social units, to horde-like creatures entirely without originality, which can demand the abolition of the family in the name of Collectivism, whose ends it would by no means subserve. As a matter of fact, a really practical Collectivism would need to favour the continuance of a firm bond of family life, in order to preserve sufficient scope for man's inextinguishable need for an individual life, apart from life for and with his fellows. The Social State would thus be rendered more manageable, and a counter-acting influence supplied against the collectivist besetting sins of envy, thirst for domination, intrigue, and dissimulation.

This concludes our criticism of the Social Democratic family *régime*. Like its State *régime*, it evidently portends a relapse into a refined barbarism, the attempt to mould the community of the civilized nation into a gigantic horde. It would be impossible to conceive of any family-system less fitted for any realizable form of Collectivism. It is moreover probable that the proletariat has a family-feeling far too firmly rooted in tradition to allow of its being to any extent tempted

further along this path. Its suggestions could have no enduring charm, except for ruined characters, and for some of the more neglected specimens of the lowest strata of the people. Of these the former are not worth the sacrifice, while the latter may be helped by quite other means, such means as shall secure to them also the possibility of an ordered family life, and protect it, when secured, from the tyrannous invasions of Capitalism.

Would the world of learning, science and art, gain anything from Social Democracy? Here again, I answer "No."

With reference to science and art, it is claimed for the Society of the Future that it will bring full intellectual satisfaction to all, and also an equal amount of intellectual satisfaction for each. This would be absolutely impossible of attainment, even if the three-hours-day were as certain of realization as under Democratic Collective Production it is undoubtedly unrealizable. Taste, natural gifts, industry, and love of art, would still remain unalterably various. The very fabulous quantity of leisure would favour the rise of the more industrious as well as of the more highly endowed individuals

both in science and art, even if they were all obliged to spend three hours daily in manual labour. On the other hand, no one could exclusively devote himself to the progress of research, discovery, and invention. The inevitable result with the great majority would be a *terribly tedious and mediocre Dilettantism*, and to the pre-eminent few the highest possible development would be by no means secured, in the interest of the whole society, in invention, discovery and amusement. The geniuses, virtuosos, and men of talent would be much more restrained from development even than they are now, to say nothing of what they might be in the progress of existing society by increased provision for them both of time and means. Science, art, technique, and the fine arts generally, would be handicapped, and would work for a mediocre public by no means favorable to the highest kind of achievement. Scientific, technical, and æsthetic progress would be rendered considerably slower, for the sole purpose of preventing the rise of an *élite* of culture. The large promise that science, "applied to the service of this life," would establish an earthly paradise

even here is nothing but an empty bubble: not merely because the progress of science, technique and art, no less than of that enjoyment of life which they subserve, has its roots not only in the understanding, but also in the will and temperament, but still more because progress in these three branches of civilization depends upon the most intensive and specialized development of all talent and genius, while this development would under Social Democracy be weighed down as by a leaden weight by the over-growth and tyranny of mediocracy both in science and æsthetics: to say nothing of the fact that universal mediocracy is not calculated to produce nearly so high a sum of popular happiness as the rise and recognition of the most pre-eminent, to the intellectual refreshment of the whole people, and in the interests of the intellectual advance of all. In the life of art and science the kernel of the matter again would be a universal tinkering at all trades, promiscuity in public affairs, everyone crowding upon everyone else. Art and science have never attained development upon the path which Communism proposes for them.

I need scarcely say that I do not mean to

deny that the State, the corporation, the club, and the well-to-do generally ought in the future to do even more for art and science than they have hitherto done. But that universal manual labour for at least three hours a day would prove favourable to discovery, invention, and creative art, that the tendency of taste among a nation of manual labourers would be definitely towards the recognition and reward of the highest in art and science, appears in the highest degree improbable, if not actually inconceivable.

I can only touch in passing upon the wide domain assigned by Social Democracy to public goodfellowship, and the reaction of this upon art. I have as sincerely at heart as any man the further ennobling of popular social intercourse and recreation. But it is in the highest degree doubtful whether Communism would of necessity, or even could, achieve this more successfully than a progressive development of society as history has moulded it. You will excuse me from the task of justifying this doubt: for you will readily perceive that here again the political and sexual intermixture of all with all running parallel with an essentially public kind

of social intercourse could not have such results as the private and familiar, political, religious and other social good-fellowship combined already have, and may in the future still more largely attain. Moreover, there are two sides to a perpetual and universally prevalent state of festivity!

I turn now to the ethic of Social Democracy. The latter claims on this head that it will root out all egoistic impulses and carry the moral impulses onward to their full development.

I have always recognized, dear Friend, that the unlimited sway of Capitalism offers a wide-spread and fruitful field for the growth of the immoral instincts. Nevertheless, immorality can no more be directly imputed to it, than pure morality to the Social State. For in both alike morality or immorality does not arise merely out of the productive system, Social or Capitalistic. Even in the Capitalistic Society public and private virtues are by no means wanting. It is surely not so sadly devoid of patriotism, of religious devotion, of neighbourly love in every form, of fidelity, and of uprightness. On the other hand, it is a monstrous exaggeration to claim that Collec-

tivism—bound up by, the way, with a universal no-religion—would directly favour the existence and growth of purely altruistic impulses of brotherliness and self-sacrifice for the good of the whole, and altogether banish immoral selfishness. Jealousy, calumny, injustice, forcible exploitation, flattery, coquetry, immodest behaviour, depreciation of merit, exploitation by means of general idleness, egoistic efforts to influence the collective industry in the direction of the smallest amount of labour with the largest share of commodities—all these vices would be by no means excluded from the action either of individuals or of groups. Collectivism can avail as little as Individualism, Democracy as little as Aristocracy, to establish pure morality or the reverse. The one is as far as the other from having its sole root in the prevailing industrial system or even in the family-system. Virtues and vices in the Social Democratic State would take other forms and other directions, but even Social Democracy would be far from bringing to pass the pure State of Ideal Virtue.

All this is so self-evident that you will pardon my dwelling on it at any greater length here!

Let us turn in conclusion to the life of

religion and of the church under the conditions of Social Democracy.

The life of the church? Social Democracy tells us that religion would be a private matter, and that "the society" would take no concern for it: whoever wants it can have it. It is however supposed that it would gradually evaporate as soon as the "priest" became a labourer like the rest—*i.e.*, spent at least three hours daily in manual labour. For each and all would then desire to be merely "a man among men."

I myself do not believe that Social Democracy would permit freedom to the religious life. It would of necessity be far more intolerant than the existing State. The Paris commune distinctly proved this. As long as religion remained free, the whole social system of Democratic Collectivism would be threatened with a constant danger. The large Churches, in any case, would be incompatible with its continuance. The existing public institutions of the religious life with all that they afford the people of inner happiness and æsthetic enjoyment would have to be swept away, together with corporations and institutions of aristocratic

origin for art, science, and education. Democratic Socialism is actually, and of inherent necessity, the deadly foe of the Christian Church. And after having rooted out all the Churches it would be only the more unmanageable with its popular morality for this world, though it would have deprived the people of a further portion of the ideal enjoyment of this life. The religious instinct of the people would always kick against the pricks, and indulge its passion for faith and metaphysics in an indestructible outgrowth of sects and denominations. Social Democracy will not lightly get the better of the Christian Church, and of the spirit which in everything abides in God, wherein its main strength lies.

Social Democracy declares that it has no need either of a church, or of any belief. It is full of the pride of knowledge. But for all that it has belief. Under no conditions can the mind of man do without this.

But with what kind of belief is it possessed? It is committed to the bigoted faith of a measureless Social Optimism, and dominated by the most untenable form of Metaphysics in relation to things beyond experience, namely

by Materialism and Atheism. Let me come back to this point once more.

Socialism is in fact committed to an immense mass of shifting beliefs as to the coming *renovation of the world*, which becomes more and more distasteful through the Pessimism displayed by its criticism of what actually exists. It commits the almost insane mistake of regarding the problem of well-being as essentially a question of economic distribution. And yet the contrary is borne in upon us by every moment of family happiness, every hour of pious devotion, every flash of creative thought, every evening of social fellowship, every word of cheerful intercourse, every earnest striving after love, friendship, and fellow-feeling, every hour of the joy of recovered health after sickness, every form of consolation for the grief that is caused by death. Human experience from time immemorial tells us that the earth neither was, nor is, nor ever will be, a heaven, nor yet a hell.

Not less untenable is the position held by Collectivism in its naturalistic and *materialistic* philosophy and metaphysic, and in its *atheistic* religion.

Both naturalistic Materialism and Atheism,

which I have characterized as the latest outcome of the extreme critical school, have been defeated on the field of philosophy, and rejected as the coarsest and most extravagant excesses into which Metaphysics has ever allowed itself to stray. They are a mingling of the crudest incredulity and the coarsest superstition, which can have nothing in common with Christian Theism and the great Churches in which it is preserved. The masses of heavily laden producers will never be brought—at any rate without detriment to freedom and equality—to hold the Optimism of Social Democracy in Ethics, its Materialism in Metaphysics, its godlessness in Religion. The people would lose by it their most treasured and sacred ideal possessions, and no State would be so entirely ungovernable, in presence of the most universal renovation of Society, of a wholly materialistic world-philosophy and of universal popular Atheism and unbelief, as precisely the Ideal State of Social Democracy.

The Materialism and the Atheism of Social Democracy take their stand on grounds of supposed scientific and empirical certainty. If we place ourselves for a moment on this

footing with all possible calmness and absence of prejudice, we soon find that the essence of all philosophical Metaphysics, as of positive religious belief, consists precisely in this, that its contents pass out beyond the bounds of experience, because experience itself perceives everywhere in the world suggestions of a connexion and continuity that it can never wholly grasp, since the threads of it are lost in infinity.

It may be said by sceptics that this present world and the "supposed" world beyond are in their essence unknowable, and that therefore we should confine ourselves within the limits of "empirical" or "exact" science, without committing ourselves to the hazards of faith. But there is nothing in this attitude of sceptical resignation to lead us into the Optimism of Social Democracy. Nor can it be said that it has been scientifically proved that beyond the limits of our experience there is nothing, not even that in which the unsolved riddle of the universe in its intellectual and material spheres, with its problems of happiness and misery, shall at last find its solution. This assumption is as little borne out by our external as by our internal experiences.

Those who strike out into Metaphysics, that is, beyond the bounds of experience, and who have at the same time the need of some definite belief, will be of necessity driven to adopt three propositions. First, that which is not attested by any fact of experience, material or spiritual, is in Metaphysics a mere conception, and in Religion a pure imagination. Second, that any object of belief, whether metaphysical or religious, which stands in contradiction to a known fact of experience, is untenable, since every fact of experience must be contained without contradiction in the ultimate sum-total and harmony of all things. Third, both Metaphysics and Faith are incomplete and untrue unless they embrace all the facts of experience. But do these three cardinal points entail the incontrovertible proof of the truth of Optimism, of Materialism, and of Atheism, and consequently the untruth of Theism? By no means!

To hold on the one hand that the world is irretrievably bad, on the other, that it is possible it may suddenly be rendered perfect, is in either case to make a metaphysical assumption which is entirely contradicted by experience, not, as

is by some maintained, an empirically certain fact.

Neither is it an empirically certain fact that everything, even the highest intellectual process, is matter and mechanical motion. This is another contradiction of experience and a one-sided and incomplete metaphysical view; so far from this being the case the only thing which is certain is mind itself, through which we first apprehend matter, and which is perhaps itself inherent in all matter. Even the monist theory of the identity of mind and matter does not rest on the firm ground of experience. Experience shews us, it is true, always without exception, mind linked to matter: but it has not yet proved to us in a single material atom the identity of perception and mechanical movement.

Christian Theism in its Metaphysics and in its full conception of God does at least adopt a unifying interpretation of all the facts of life, whether moral or mechanical, good or evil, intellectual or material. It is free from the error of accounting the whole of Nature and the course of history as the eternally monotonous play of mechanical movement in a

world-instrument void of all significance, as some have done even in the face of the high moral phenomena of history and its progress towards great intellectual culture. It faces the disorderly (*paranomen*) appearances of evil in the world with the wonderful phenomena of Revelation and Redemption.

This it does not in an "empirical" vacuum, but on the basis of historical fact, above all on the appearance of Christ on the earth. It is a distinct misrepresentation to say that Christian Theism entirely sets aside all empirical basis, and that therefore a scientific Theology is impossible: the facts of Revelation, the voice of God speaking in His works through Nature and in History, form, at any rate, subjective experimental bases for the Christian faith. Further, it is not true that even the belief in "Miracles" is in contradiction with the laws of Nature. Christian teaching has never said that God has run counter to the laws of Nature which He Himself laid down, when in the course of religious revelation He has worked miraculously, and in the progressive development of new ideas He still works on lines which are inexplicable by any known

aws of Nature. For these "Laws of Nature," what are they? If they convey any definite dea at all it is of formulæ representing constant series of links which connect facts and phenomena empirically discernible by *us*. Metaphysically, they can only be eternally and unchangeably the same, not first to be interpreted out of the "Laws" indicated by God's modes of operation in His already existing works. The Christian belief in miracles would of course contain an error, metaphysically speaking, if it maintained that God was from time to time untrue to Himself, and worked *against* Nature (*contra Naturum*) when He performed miracles. But, so far as I know anything of Christian Theology, this is not its teaching. God, so the Christian holds, has modes of operation above and beyond those which are accessible to our every-day experience, (*supra Naturam*), and these must be accepted in their metaphysical bearings just because for him they are demonstrated by well-attested facts of experience. "Miracles on earth are for the Christian Nature in Heaven," as Jean Paul expresses it. A single proved instance of a wonderful fact inexplicable

within the limits of the known natural laws—and Christianity holds several such to be proved – is enough foundation on which to base the metaphysical assumption of the Divine intervention by methods other than those expressed by the so-called Laws of Nature. Whether we believe in the certainty of such facts or not, there is no foundation for the reproach levelled against Christianity that the Church's belief in miracles rests upon a denial of natural laws, and stands in direct fundamental contradiction to experience.

Christian Theism raises the counter-question: Is human reason then a universal mirror reflecting all things from its surface? Is it not rather a "ray of heavenly light"? And it replies that human reason, which is in us our highest good, is not the central sun which illuminates the world. It is not by any means fitted to be a sovereign and entire illuminator of the universe. It is a light for the human race in whom it is inherent, but not a mirror of the world. It is the best gift of God but is not in itself the Divine Spirit. In the world as we know and perceive it, it belongs to the second and higher hemisphere of what is called experience,

"Nature" forming the first and lower. Both, however, are portions and premonitions of a harmonious scheme of things, by man unknown and never entirely knowable. What both are "in themselves," what lies beyond experience, is for us unknowable. That both have their roots in a higher unknowable, which cherishes and supports them, and which at the same time contains and governs the mysterious secret of their coherence, has not been disproved. This beyond, in some sense apart from Nature and the world of mind, in both of which it moves and rules, but still above both, and not the cause of their imperfection and deterioration, is the God of Christianity, and the acknowledgement of Him is Christian Theism.

It is not true that Christian Theism has been overthrown by critical or even by atheistic Rationalism. The pure reason, with its denials and its constructions, knows not everything that has been and that shall ever be, nor yet all the laws which regulate the universe, or all God's methods of working beyond those which we experience. Created Reason cannot even penetrate the innermost secret of Nature, that is, of the purely material world. In the

spiritual world and in history there are daily occurrences, of an ever new and surprising kind, and which are not explicable by any mechanical "Laws of Nature." The imperfect, insufficient vision of the human mind cannot by any means pass for a proof that there are no such laws of operation, unknown to us but not the less eternal, in which the inexplicable phenomena both of the natural and of the moral world becomes intelligible to reasonable beings of a super-human order. A man may determine to do without Metaphysics altogether, but the superiority of materialist and atheist notions and superstitions over Theism will still be repudiated by the resigned sceptic. The Metaphysics of Materialism would in any case have to begin by throwing Metaphysic overboard.

Further, Theism is not the only metaphysical system whose propositions contain never literal but always symbolical truth. Materialism itself is a belief that deals in symbols. That very "Matter," and "mechanical oscillation" to which it refers everything, even the workings of mind and the developments of history, are not simply the matter which is examined by the

microscope, or the exact motion which the dynamometer can determine, and by which machines are driven. Even the Materialist, so soon as he becomes a metaphysician, speaks unconsciously in the flowers of metaphor, and cannot take the dicta of his own creed literally, but only metaphorically. It is the lot of everyone, to be forced to express, or rather only to suggest in pictures of the finite, the infinite towards which our experience points. It is not a weakness peculiar to Theism that it cannot present its metaphysical teachings without symbolism, and that its propositions cannot cohere or be consistent with each other in any strictly literal sense. It is the very law which underlies all Metaphysics. The constructive medium of all Metaphysics, as of poetry, is a symbolical one. Christian teaching has moreover an immeasurable superiority over Materialism in two points: first, it openly and honestly confesses that the truth of its Metaphysics is symbolical; and next it finds a symbolical, not literal, representation of God and of his kingdom pictured forth in all that is highest and best upon earth. For uprightness and for sublimity, as well as for completeness,

the Christian symbolism at least does not yield to the Metaphysics of Materialism with its boasted appearance of exact science.

I have no intention of becoming a propagandist and I would leave to everyone the freedom of his scepticism, and of that resignation which draws a line at the limitations of science and makes a thoroughgoing renunciation of all metaphysical suggestions beyond experience, the whole of experience, and nothing but experience. But for all that I cannot suppress the doubt as to whether the mass of the people will ever make this renunciation, and whether the Materialism which Social Democracy preaches, (which as Metaphysics and Religion stands on the level of the philosophic culture of artisans and commercial travellers) is in a position to drive out the Christian faith universally and by free persuasion from the minds and hearts of the people. So little prospect has this superstition of superseding Christianity, that it has already been overcome in the more highly cultivated section of Society, out of which its dark waters have trickled down into the lower strata—there also it will ultimately dry up and disappear! Nothing is more clearly discernible

than that the creed, or rather the no-creed, of the Social Democrats, can never either make the people happy or the Democratic Social State a more realizable form of Government.

We have now regarded the collectivism of social democracy from all its sides. It is undoubtedly a logical system embracing the whole of social life, based on extreme freedom and equality of all individuals in industry, politics, family-life, education, art, science and religion. It is an all-round Radicalism carried to its highest point. It does not favour the higher organization of the various functions of private and social life, but would loosen the already existing framework of this organization, and throw all organization at the mercy of individual fancy, and the equal co-operation of all in all departments. All that is essentially human, and that marks us out as individuals and as societies from the animal societies and the primitive horde-communities of the savage, and raises us so infinitely far above either—namely the progressive elevation of both the individual type and the whole society,—cannot and will not be carried on by communism, but will rather be driven back into a superior

version of the primitive cosmopolitan inter-admixture of all the various organizations and functions both social and individual.

The contempt for the nation as a whole, and its relegation to a mere means, the unlimited subjective freedom of caprice for each and every individual, the liberty to do everything according to the fancy of the moment, the casting away of all social bonds, limitations and associations,—this is the false freedom: whether practised by the capitalist who regards the State as merely the "night watchman" of his property, or set before the people as recognised by social democracy, *i.e.*, the proletariat, as the prospects of the future social state. Such individual freedom of caprice can never make anyone happy. Such freedom makes people only dissatisfied, doubters, gloomy hypercritics, idlers, buffoons, coquettes, breeders of social unrest and of despair, whether it shuns all work in unworthy dependence upon income, or will have the three hours labour-day (fortunately an impossibility) of the ideal social state.

True freedom means the unhampered development of the individual in the service, direct or indirect, of the community, according

to his particular conditions, under the protection of the whole, and with the maintenance of a due proportion between his achievements for society, and the material and ideal benefits which accrue to him from society. This position must be maintained for the industrial proletariat, which serves the whole under the guidance of capital, and must be rigidly applied to capital, that it may regard itself as the accredited organ of society for the guidance and control of production. This is the true beneficent and universal freedom, which is the positive complement of capitalism.

It is the same with equality. It could only be the madness of the extreme subjective fanaticism for equality which could maintain that each individual should be cut after the same pattern, should labour, enjoy, rule and serve like every other. The whole tendency of the human race as seen in history has been to become more and more manifold. Inequality is grained in us from our birth by inheritance. As Aristotle maintained against the ancient communists, material goods might at last be equalized, but the difficulty, nay the impossibility would be to equalize the natures and the desires of all

separate individuals. This could never be done even by the extremest and most levelling individualism. For it is clearly provided that, even in the future, individuals will never become equal: since side by side with the great integrating processes of the grouping and uniting of nations goes as strong a differentiating tendency among different sections of the same people—official differences, institutions, corporations, associations, unions, but especially differences in families, and in individuals. It is well for us that the world's progress in this direction cannot be retarded. True equality consists in giving to everyone the right and the possibility of developing his individuality to its full measure. In this recognition and development of each lies the true and the only possible equality. This involves the equal right of all to develop their own individuality in that particular line of service for the community which suits them best. The accessibility of all posts to those who shew peculiar adaptabilities for each, the avoidance so far as is possible of exploitation on the part of employers and of systems of service which specially lend themselves to

exploitation,—these conditions carried out with all and on behalf of all, make up the essence of true equality in so far as this is obtainable. Not that *all* should have *everything* (which would soon lead to no one's having anything), nor yet that all should rule and none should serve: this does not constitute an equality conducive to happiness. But that each should be able to develop in the service of the community the talents that are peculiar to him, and that he should be apportioned so much out of the general share as is necessary for this purpose. This does not preclude great differences of property and income, nor even the contrast between those who have and those who have not a share in the instruments of production. It is only necessary that those who are pre-eminent even in the lowest grades may be able to find their way upwards, to the high levels of place and power. Collectivism, as I have already pointed out, fails to secure this, but it can, as I shall subsequently shew, be attained by positive Social Reform. The spirit of true equality finds its full satisfaction, in so far as the present stage of historical development allows of it, in the Positivism of Social Reform.

You and I, dear Friend, will never be scornful of liberty and equality, but only of the extreme individualistic form of them, which beheads the great, and stretches the stature of the insignificant—the freedom which will brook no kind of Social order, and the equality which cannot endure manifold varieties of individuality. Freedom and equality for all alike to exercise effectually their powers in and for the service of the community, at the most suitable place and in the most suitable calling; this is a socially elevating and dignifying principle which each epoch has to bring more and more into play according to the measure in which its historical development admits of its so doing. It contains the pledge of the highest welfare which is in the main possible for mankind.

But how then was it possible that the communistic Social system, so palpably impracticable, insusceptible of positive development, and *in this sense* so futile, should have grown into such a frightful danger? Social Democracy is undoubtedly dangerous because of the fearful disturbance in which it might culminate, even though as an enduring social system in the future it is entirely without a

prospect. The course of our criticism has supplied us with the answer we seek. The evils of the unrestrained liberal productive sytem have called forth Social Democracy, and the politico-constitutional radicalism of universal suffrage has made it possible for certain highly-gifted and inspired leaders to gather together the proletariat into a party with a communistic programme.

At the same time, let us not forget that as early as a hundred years ago, when first the false "Freedom and Equality" made their blood-red progress through the public ways, even such measure of the true freedom and equality as was then practically possible, was trodden under foot by the survivals of the feudal epoch in league with Absolutism. Neither let us forget how great were the evils of the subsequent liberal epoch, which the keen critics among the Democratic Collectivists have exposed. We shall then not be inclined to deny a certain timely merit to the extremes of individualism and criticism which produced the twin offspring Liberalism and Social Democracy. There was in them a portion of that spirit "which ever wills the bad but works the good," yet the

individuals who were possessed by it were not themselves necessarily either fools or knaves. They had a certain intellectual enlightment and among their number were noble-minded idealists.

But my now completed criticism of Social Democracy has already given us some general indication of the only way in which the danger may be overcome. It is a positive social and constitutional policy, truly progressive and in accordance with the spirit of the time, as well as allied to all the forces which make for the preservation of Society. It is the policy of unresting incisive reform, the further development as occasion offers of the Society bequeathed to us by history, for the contentment of the now needy classes.

To this positive method of combating Social Democracy my third and last letter will be devoted. I will only now make one remark in anticipation of it: you cannot put new wine into old bottles. Forms of some kind are necessary for each successive historical epoch: but they must be such forms as are peculiarly suited to each. The corporations of the Middle Ages, for instance, are not calculated to satisfy

the positive needs of modern times. You are therefore not likely to hear me say much about guilds. There is now much greater scope for the fruitful exercise of individual freedom, hence for free societies, associations, and unions. Further, the compulsory associations which are to some extent necessary in modern times, must not tie up the whole life of the individual in strait and narrow bonds. Our age needs various organized association for various ends, co-extensive with the nation yet subservient to individual independence and self-help. On this I have laid stress nearly thirty years ago. Besides this the State and the local authorities have a far wider and more varied sphere of activity to fill, and public instruction a much more complicated task to carry out. Even in our forms of organization we must combat a reactionary Positivism, which can never be of any avail because it can never hold its own against criticism, whether liberal or Social-Democratic.

I hope I have now convinced you of the fact that the Social Democratic Individualism of freedom and equality needs only to be carefully considered in order to appear, to any man not

swallowed up in party-fanaticism, a vain and desolate dream, which whoever dreams (and with full belief fancies it a sweet dream) shall assuredly with the first attempt at realisation have an awakening full of disillusion, remorse and terror.

And with this we will close for to-day.

LETTER III.

ON THE POSITIVE METHODS OF COMBATING SOCIAL DEMOCRACY.

STUTTGART, *January* 2, 1885.

You write and tell me, esteemed Friend, that in my second letter I have entirely wiped out my old debt of the year 1878. But this is not the case.

With all due recognition of the grateful turn of your mind, I must maintain that I have done no more as yet than supply the *critical* supplement of the "Quintessence." I should be deeply grieved if my efforts contributed to exorcise the Red Spectre for the Conservatives before it had been banished for ever by the application of positive methods.

Scientific criticism can only prove that the enduring realization of the Social Democratic "State of the Future" is entirely out of the question, it cannot disprove the *possibility of a successful attempt being made to start an experiment in it through some violent upheaval of the proletariat.* The criticism itself will not take effect on the proletariat, until they have had a taste of positive reform, and some experience of what it can accomplish. Until then we are faced by the fact of Social Democracy, and by the danger of the convulsions in which this movement would involve all the existing order should any great crisis give it the opportunity. We have yet to make it impossible as a revolutionary party!

Therefore I now address myself seriously to the *positive* supplement of the "Quintessence," as you yourself urged me to do before we entered upon this correspondence.

In this task you need not fear for me a possible relapse into the "Police State" on the "Scientific Police System" of the pre-liberal period. The whilom teachers of police-science and the doctrine of state-industry no doubt held up the banner of an active *rôle* for the State,

even in the industrial system; but in their essence they meant the old-fashioned fiscalism, and the old-fashioned system of minute regulations. Police-science did not give birth to a single great idea of new positive construction, and its relics are not much more than useless waste-paper for the Social-policy of to-day. As a series of recipes suggested by the timidity of the police-state, it rather oppressed the working-man than gave him a better position as against Capital. It could effect absolutely nothing as against Social Democracy. May it rest in peace!

The first and most important condition of a timely policy of Social-reform is this: that the State unflinchingly adopt a positive social policy. There must be an end of the anti-governmental, the truly nihilistic *Laissez faire, laissez aller*, of the thorough Liberals, just as much as of Democratic Collectivism.

So far as Capitalistic enterprise, acting under the conditions imposed by the common welfare, cannot for special reasons give the result of high productivity and a passably good distribution of wealth—in the indissoluble interests of the Social State and of all its parts—

so far and no further may we proceed without hesitation on the path of positive State regulation, and municipal and associated industry. Even in the case of those existing monopolies in production, which are found to result in exploitation, the State or the corporation should rather first enter into competition with them than take over the monopoly at one stroke. State-production should only be introduced under the pressure of absolute necessity. The great tree of State or Municipal Collective Production will not grow as high as the heavens even in the lapse of centuries. On this subject I have already spoken with sufficient clearness.

For the rest, such regulation as is demanded by the age in general, and therefore also in the interests of the proletariat, should be at once applied to the capitalistic system of Production. Its outgrowths and exerescences must be pruned away. Let the arbitrary dictation and exploitation of capital be met and opposed by regulations for the protection of the wage-labourer and for securing him a proportionate share in the profits.

Liberalism and Capitalism need not to be destroyed, but only to be led back into the service

of the common weal. The capitalistic *régime* has been productive of great but not incurable evils. Socialism has exposed them to view. But it carries with it a bright ray of light which cannot be hid even under the bushel of Social Democratic Criticism.

"Capital" assumes the guidance and direction of the whole business of production on behalf of the community generally. It guarantees on its own undivided responsibility, and by the very conditions of its own material existence, the wise and economical management of the production and circulation of commodities. It casts about for the cheapest methods of manufacturing goods of the greatest utility. It marshals, disciplines, and controls the vast armies of labour. It bears the losses which arise from revolutions in technique and from the sudden fall of prices induced by over-competition. It bears the brunt of loans, taxes, and outlay of all kinds by way of advance. It works out the enormously complicated processes of production, transfer, distribution, and profit-sharing of commodities by comparatively simple methods, and such as are least calculated to disturb the other social functions. For all this it receives

the profits of capital, when it operates well and successfully in the service of the whole. And rightly so. This profit is generally speaking a premium, as actively efficacious as it is well-deserved, on thrift and economy in the management of productive and distributive processes. The most horrible isolated outgrowths of the lawless and limitless domination of capital, and the unblushing egotism with which they are carried on, by no means constitute a reason for its abolition, and the substitution for it of an impossible productive Democracy. They do constitute a reason for regulating the use to be made of ownership in the means of production, and for establishing a seasonable equilibrium between Capitalism and such collective and associated industries as already exist.

The question next arises: is it desirable to make a deeper attack upon the basis of private right which underlies the capitalist system?

To answer the above question, honoured friend, we must touch upon proposals which are put forward as the Conservative rivals to the purely public Collectivism which I attacked in the last letter, proposals, however,

which are no less one-sided than it and constitute a no less impracticable form of Radicalism. But these proposals must nevertheless be passed in review. Let me here make the attempt critically to prepare your way upon this ground.

The so-called Capitalistic Organization, on the lines of private enterprise, of the production of commodities and of the distribution of their product-value in the form of profit, wages and rent, is socially determined, it is true, by the institutions of *public* judicial right—the national police regulations as to labour and the national industrial policy. But its fundamental basis is nevertheless determined on the side of the ruling authorities, by legislation as to *private* right, by the system of civil justice, and by the compulsory enforcement of private claims. The fate of Labour and Capital is thus in a large measure determined by the form which is given to such institutions of private law as the *tenures of property*, real and personal, the regulations of *hired service*, of *loans*, *exchange and purchase*, deeds of gift, *rights of inheritance*, and finally the organization of civil justice in dealing with contentious or non-contentious matter, and in

using compulsion. A positive social policy must therefore not forget to enquire whether reform is not primarily needed and much progress possible on this fundamental basis, which Socialism for its part aims at destroying altogether.

Undoubtedly such progress is necessary. Yet we must here again at starting guard against one-sided views which might easily oppose to an extreme of public Collectivism, a Socialism of extreme private right, through police or judicial assessment made upon property still nominally private. This tendency to a Socialism of private right tempered by assessment must likewise be overcome before we can clearly and consciously find and retain the happy medium of positive social reform. Here we have to consider the universal system of productive associations, the universal industrial partnerships with minimum wage, land-nationalization, but above and beyond all the great and carefully thought-out *Social Reform of Rodbertus.*

Rodbertus, one of the greatest economic thinkers of the century, and a man of creative and statesman-like imagination, does not, as I have already said, advocate the abolition of

private property in the means of production. Still less does he wish for the unequal and unfair payment of the labourer, on the one side in proportion to the duration and severity of his labour, or on the other in proportion to the amount accomplished by each in a given time in his own sphere. But Rodbertus does wish that the labourers should have a proportionate share in the rising yield of national production, and moreover, that each labourer should draw this share in proportion to his own individual achievement. The result of this would be to preserve all the main-springs of individual industry, as well in the propertied as in the labouring classes. Only the interference which a Normalizing Socialism of judicial and police regulation would effect upon the capitalistic system of production, would be so considerable as greatly to change the existing order of things, and probably to introduce very speedily a Collectivism based on authority. Rodbertus, in so far as that he takes his stand on the basis of private property, attempts in a certain sense a solution of the social question on the lines of private right, and indeed, his is by far the most significant attempt of the kind hitherto made.

Into this very basis, however, of purely private right, he proposes, as I have already shewn in the previous letter, to introduce three powerful levers of universal social normalization, which we are to suppose would serve to most powerfully and continuously move the whole body of private popular industry, with reference to the manner of distribution of the result of national production, in a certain definite direction, which would be proportionably just to all classes alike. And against all this regulation and normalization which constitutes so serious an interference with private right, the many serious objections arise which you already know, and which, as your last letter assures me, you fully appreciate. The plan of social reform proposed by Rodbertus would, if fully carried out, degenerate into the forcible regulation of the whole sphere of private right, and in the extent of its normalizing interference does not fall far short of Social Democracy, without being altogether so bold a scheme as it. Its direct tendency would be towards the universal introduction of Authoritative Collectivism, for which, indeed, the only change which would be necessary would be to turn the

highly-paid directors and managers, of employers and employing companies, into recognized industrial officials of the community. Rodbertus has not in any case succeeded in proving that positive Social Policy, at any rate for some time to come, must go so far as he marks out the way. He does not appreciate the significance of public right, which must in all departments —in societies, corporations, municipalities, and the State—co-operate advantageously to make a free way for the independent and equally justifiable exercise of private right, and to place the necessary limitations on its abuse. He does not, in my opinion, sufficiently consider that even the judicial regulation of labour-income over against capital-income must not go so far as to endanger that measure of individual freedom, independence, acting capacity, and responsibility on the part of the employer, which is essential in the interests of the whole community. In his gigantic apparatus for valuation and scale-fixing, he surely goes far beyond what is really required by Positive Social Reform in the way of regulating and restraining interference on the part of the community, with the play of individual effort.

Beside the great ideas of Rodbertus, other attempts to help matters from the starting point of private right appear insignificant and even bungling. They move in a double direction, on the one hand by limitation of the rights of ownership of income-yielding property moveable and immoveable, and on the other by the removal, in so far as it may be practically effected, of the distinction between Capital and Wage-labour within the sphere of private industrial management—I will pause for a few moments only to consider these attempted solutions.

Take first the limitation of the ownership of sources of income and especially immovable sources, in short, the possession of rentals. This limitation reaches its furthest point in the demand for the nationalization or State ownership of land; that is, the abolition of all private property in rural and urban soil and land. The State, represented by the parish or municipality, takes over all the land as the common property of the whole people, to whom, it is said, nature originally gave it. The Community lets it out in portions to individuals, so that all are in future only tenants, none are

owners of the soil: all rent then goes ultimately to the State in the form of tenants' dues, as the primary revenue of the nation considered as one great household.

Called by its right name, this demand means the substitution of tenant-rights for rights of ownership, and its object is the confiscation of rent. Such a movement as this is intelligible in England or in California, where large estates stand in the way of peasant proprietorship and where nationalization would result, not in an enduring State-ownership of the soil, but in the practical reconstitution of the farmer as a peasant proprietor. But though intelligible it is not necessarily desirable. The soil is, once for all, not the gift of nature to the nation, but a means of production slowly manufactured by the arts and labours of numberless generations of proprietors and tenants, and moreover, by far the most important portion of all the means of production which the nation has in its possession. The cultivation of the land by the owner himself is calculated to draw from the soil that higher net-product which it is the interest of the nation to ensure; or, at any rate, the counter-claim for a mere universal tenant-system has not been

proved. Nationalization, in confiscating property in land, would confiscate also all that large sum of happiness in life which goes with the possession of such property, and this for what is still in many countries the most considerable portion of productive labour. For the sole possession of an inherited or purchased share in his native country will render a man happy, and, more than this, secure his independence. The exploitation of the agricultural wage-labour by the farmer who employs him would not be prevented, any more than the exploitation of the farmer himself by the action upon him of moveable capital in the form of mortgage and of commercial profit. All this would continue to hold unlimited sway, through the whole credit system in commercial traffic and in manufacture, and would eventually come to be, from lack of any sufficient counterpoise, an intolerable political tyranny. The nationalization of rent, bought up at a high price, in place of the land-tax and of other forms of taxation, would not even financially be of undoubted advantage. The land-nationalization scheme cannot be justified in Germany, even as a basis for agitation. The cause of our

suffering is not the private ownership of the land and soil but the weight of unproductive debt with which it is charged, and it is one which can be remedied without any abolition of private ownership.

I will deal hastily in passing with the two other attempts at a single solution, which are professedly purely on lines of private right. These are, first, the proposal to elevate all labourers into active partnerships with their employers by means of the so-called *Co-operative System of Production*, and secondly, the proposal by means of *Profit-Sharing* and the guarantee of a wage-minimum to constitute the labourers sleeping partners with the private *entrepreneur*. While it is the essential though impracticable endeavour of Collectivism to get rid of Capital and the disproportion of the natural factors concerned in the problem of a fair distribution of the proceeds, *purely by the action of public law* (*i.e.*, by nationalization), and to turn the capitalist into a labourer, we have on the other hand the opposite attempt, which is quite conceivable and indeed has long since been made, *purely by the action of private right* (*i.e.*, by voluntary action) either to blend capital and

wage labour in one, or else to set up on an apparently equitable principle "Labour-Capital" (or Personal Capital) side by side with "Real-Capital" (*i.e.* Capital in the ordinary sense) and thus to remedy the evils of capitalist production without destroying it altogether. Both proposals have this in common that they suggest reform of private right in society through the abolition of or at least through radical changes in the relations of private service.

Take first the establishment by law of a universal system of co-operative production. Co-operative Societies are quite admirable things if they are freely developed side by side with existing forms of business, public companies, sleeping partnerships, Joint Stock Companies, and so on. The fact that this development went on would be a complete proof that the people at large did not lose the advantages of the capitalistic system by the plan of admitting workman-capitalists, as in some sort partners in the management, to a direct interest in the productive result of labour. But the system of productive co-operative societies has as a matter of fact had but a very small develop-

ment up till now and can probably never of itself become the sole universal form of industry.

The reasons for this are not far to seek. To begin with there is a distinct need for many varieties of business enterprise in our economic system. Next the workman has first everywhere to gain a share of land and of capital before he can join a productive society: even a system of State-credit would not secure him this. Thirdly, it is very difficult to secure a due share to those who do the best work, and to retain their services: only the average workers would have a heightened interest, the superior ones who desired to educate their minds would rather be oppressed and without interest in the result. In the fourth place, a very little experience of it has shewn that strife is easily stirred up over the proportion in which the respective outlays of Labour and Capital should be compensated in the division of the net-product. In the fifth place, there would not only be no guarantees against paralysis of trade, but the workman would no longer have, even when at work, that security which is worth so much to him, the certainty of drawing a fixed return from his labour, entirely free from risk:

to say nothing of the fact that the possibility of the exploitation of labour, either by labour or by capital, would not by any means be excluded either from within or from without. In dealing with other concerns, even if they also were co-operative societies, there is room for losses and for shortened measure, at the same time that within the same society the better workmen might be exploited by the inferior, labour's share in the profits by capital's share in the profits, and *vice versâ*.

So it was an obvious suggestion to universalise co-operative societies by compulsion or by "State-assistance" (Lassalle). The State is to furnish the Capital. But this universal remedy becomes still worse when we consider that by such a change as this in the constitution of public right society would be dealing itself a blow direct. Could the State constantly provide such a quantity of Capital? No, or if it did, it would need to have a voice in determining the management of every business and every trade. The foundations of private management would give way to public enterprise. The mainspring of Capitalistic production would be broken. There would

be serious risk as regards the certainty required in guiding production, as to freedom of choice in labour and service, as to obtaining and retaining the best workers through a fair gradation of wage, and the maintenance of a fixed minimum wage. Nor should we be free from the possibility that the general proceeds of labour would be even less than under the present wage-system. There would be full scope for exploitation in the dealings of the various societies with each other, with those who owned the sources of income and with the consumers. There is, therefore, nothing to be hoped for, absolutely nothing, from compulsion, through the law affecting private relations, to an exclusive system of co-operative societies, with the blending of "Real Capital" and "Labour Capital." Even Lassalle dared only demand a portion of it. His correspondence with Rodbertus, published after his death, shews how gladly he would have exchanged it for that reformer's plan of Social reform. It is just this insight into the impracticability of Lassalle's panaceaof Co-operative Societies, which has won and retained for Social-Democratic Collectivism the trust and belief of the proletariat.

The same fundamental idea, of reforming by means of private right in social matters, has taken shape in yet another set of formulæ. Not the indivisible social fusion of capitalists and wage-labourers into members of co-operative societies, but their association with each other in a new social relation: this is the form it takes. The capitalist is still to be in the position of managing director, and is to bear the whole burden of risk, but the workman is to enter into a legally binding association with his employer, a relationship which will afford to the former both personal protection and also a share in the profits. The scheme as a whole comes to the same thing as the compulsory universal adoption of the well-known system of "industrial partnerships." The means thereto is to be an arbitrary conversion of labour-power into capital-value ("Labour-Capital") with which real capital is in future to share the net-value of the common product; it is to be supposed, that an attempt would also be made to fix a minimum return for labour corresponding with the minimum amount that would serve for maintenance. This solution has latterly been maintained in some quarters to be the chief or

even the only feasible one of the social question "purely on the lines of private right." It is on all sides agreed that the industrial partnership is much to be desired as a freely chosen form of social relationship, but that it has as little chance of free universal acceptance as co-operation.

It is not difficult to prove that even this solution "purely on the lines of private right," if carefully thought out and carried through by universal legal compulsion, can less even than Collectivism avail to impugn the efficiency of the capitalist industrial system, while it is at the same time less logical than it. If it is a vain attempt to turn capital, as being "labour in a congealed from," back into labour it is not less vain to attempt to turn labour into Capital. Not only as a proprietor, but as a worker, the capitalist member of a Society is quite different from the labouring member of a Society. Through his property he becomes the exclusively responsible commander of labour. This fundamental distinction cannot be shaken without striking a deadly blow at the efficiency of the capitalistic management of production. It is worth while to make sure of rendering this point quite clear.

What is the obvious aim of this conversion of the wage-labourer into a self-qualified compeer of the *entrepreneur*? It is meant to serve a threefold purpose, as we shall see if we consider it more closely; first, it is to afford an individual guarantee against the evils of harsh treatment, over-work, undeserved dismissal, and so on—next it is to prevent the lowering of the returns of labour below the level of subsistence—thirdly, it is to secure for the worker some share in the profits of the *entrepreneur*. The first object is to be obtained by the legislative fixing of a maximum labour-time, by laying down the allowable grounds of dismissal, by giving the worker a claim to a minimum period of occupation: the second by the duty of the employer to secure, in advance, at least enough to ensure a living for the labourer: the third by giving the worker a share in the profits on the net produce according to some kind of fixed scale of division. However much the proposals vary in detail they have in so far as they are complete this necessarily threefold aim. Further, they all agree negatively that no good would be done by letting the Capitalist retain unlimited

freedom in concluding and arranging the conditions of social partnership, that it is of no use leaving him free to choose according to his own free will whether he would have a contract of service or an industrial partnership. Out of his partnership-relations there must grow for the worker a recognised positive right to fair personal treatment, to a share in the profits, and to the advance of his necessary cost of maintenance, a right which must be made universally enforceable at law: otherwise everything would be as in the old days, the possibility of the lion's share would still remain, by whatever name it might be called, and the wage-labourer would receive as much *less* in wages—*i.e.*, in advance—as he could subsequently receive *more* in his share of the "net product."

What now do the supporters of the private rights reform in question think as to how it is to be practically carried out? They either think very differently, or they do not think at all, or they think only vaguely and confusedly. Let us now endeavour to state the proposal in its most practical form—in obedience to our method of always stating the case in its most conceivable shape.

It may be stated somewhat as follows:—The sum necessary for maintenance would be periodically laid down by the special industrial assessment-bodies, in classified tariffs according to places and calling. For if the regulation of this amount were to be left to the decision of civil judges in cases of litigation guided by the discretion of experts, capitalistic production would become loaded with an intolerable amount of law business and at the mercy of the arbitrary valuations of experts, its energy would be paralysed by uncertainty, by the impossibility of reckoning beforehand, by indiscretion, and want of discipline.

But how should these valuation organs be constituted? Should they consist of officials nominated by the State or the Municipality? Should they be associated bodies formed under compulsion? As to this we find no clearly defined ideas. Let us take what it seems probable would be the best solution: that within the ranks of each department of trade a union should be formed of a certain number of representatives from the two classes of society (so many capitalists and so many workers), and that in cases where they could not come to

an agreement the decision should be referred to a Court of Arbitration which should be constituted as simply and as independently as possible and without partisanship, out of the central organs of the national trades' or professional societies and the chief magistrates of the State and of the Municipality. The civil magistrates, or the specially impanelled tribunals, would have to decide in disputed cases according to the decrees by which these organs periodically laid down the normal minimum of advance-money, and the normal rate of profit-sharing, not excluding the possibility of agreements being entered into voluntarily on higher terms in arranging the deeds of partnership.

On what principle, then, would the normal amount necessary for maintenance be laid down? Evidently it could be classified only according to what was actually and absolutely necessary for each one, including enough to cover taxation, the premiums of compulsory insurance, and so on: to go beyond this would be to engender strife without end. It would not be impossible to have a classified tariff in which every deed of partnership would have to assign his rank to each separate worker.

Even thus it is very evident that it would be no light or easy matter to lay down a fair average. But let this pass.

Still more would it be a difficult matter to ascertain the rate of profit and a fair percentage of profit-sharing.

From the total result of production would have to be deducted the whole productive outlay including the sinking of the fixed Capital, the value of material which is wasted after being manufactured, and finally the amount of the advance made to labour. Are we to suppose that the capital of the company would have to pay interest to outsiders? The remainder of the produce after all this had been deducted would be the portion to be divided.

In what proportion would this division be made? The existing proposals assign as standards the actual current rates of interest, as well as the established rate of "wages" agreed upon in the contracts made with societies. We should prefer to avoid this. For this would leave it quite open to "Money-capital" to carry on at its will its "oppressive warfare" against "Labour-Capital," and against its own rivals in Money-Capital on the basis of competing

rates of interest, rents, and wage-advances. The off-repeated advice of these and other proposals that the wage-relation should draw itself by the hair of its own head out of its present slough of despond savours all too much of Münchausen. Let us rather, therefore, assume—as does Weiss—that the ascertained average cost of upbringing, in fact, the labourer's costs—with graduations of labour-power according to age, sex, and conditions—would form the best basis for the division. According to the proportion which the whole value of Labour-Capital, so determined, bore to the whole value of Money-Capital, which would also from time to time be subject to valuation, the net produce would then be divided between the Capital and the Labour of Society.

Further, we ask, how would it be divided among the labourers themselves? Perhaps in proportion to their wages, if wages it can be called? As this would prove very arbitrary and oppressive if the employer could regulate the wages-advance without consulting the whole body of labourers, while to consult them would break the back-bone of Capitalistic management and authority, we will assume

rather that the division is to be made in proportion to the position assigned to each kind of labour in the drawing-up of the tariff of his training expenses.

Your penetration, dear Friend, will readily detect from the foregoing how much is true and how much fallacious in these three variously directed proposals.

As for the first we are fully justified in seeking to secure for the labourer that immunity from bad treatment, over work, and undeserved dismissal, which is due to every human being.

Let private right do all that by its peculiar judicial methods it can do in this direction, and let it argue always from the point of view that the labourer is not to be regarded in the same light as a commodity or a machine, the ownership of which is alienated by the contract of service, but as having the full worth of a human being, who enters into a contract with the Capitalist for the common work of production. Only there is no reason why it should not be made an aim of public policy that the workmen themselves by their unions and associations, both voluntary and compulsory, and the State and Municipality by

their police, should assist in maintaining for labour the security of this position. If this task, which might be accomplished far more simply by means of workmen's unions and associations and the state or municipal police, were to be left to be performed only by the power of civil action, it would be necessary to have new definitions of private right which would be exceedingly difficult to formulate and the execution of which would seriously endanger the needful authority, security, and business-satisfaction of the *entrepreneur*. The limitation of the power of dismissal is a doubtful gain; the universal minimum of service-time which could be, if necessary, enforced by law would be a burden to the employer of labour which would be hard to justify, especially as it would most deeply affect him just at the very times when he had been forced by a crisis into a partial suspension of business: the limitation is admissible in the relations of domestic service, but not in manufacture or labour which depends upon the seasons. I shall hope to shew, that the same end can be better attained by means of free rights of combination. We ought to take serious warning from the experience which has

been gained of protection "on the lines of private right" in the working of the Employers' Liability Acts(1) copied from English legislation. The legal presumption of the Employers' liability in cases of accident was a source of injustice to the employer when he was entirely free from blame; yet it was hard on the unfortunate labourer to contest in a court of law his right to free compensation from the employer and from the insurance agencies. It ended in a substitution of public for private compensation, the shifting of the risk incident to the branch of production on to the whole branch of production by means of a system of compulsory insurance embodied in public law.

Let us now consider the second positive claim which would necessarily be made universally recoverable at law by the working member of the Society—the secure and full payment in advance of the amount necessary for maintenance.

I say, *necessarily*. For if it were not made recoverable at law, the then position of the workman instead of being better and more

(1) "Die Haftplichtgesetzen." I do not know from what legal process they take their name.—Ed.

secure, would be substantially worse than at present. The wage-contract does at least secure the wage: if the employer cannot recoup himself in the product-value for the amount he has advanced in wages, the loss is his, and his only. But in associations of Labour and Capital on the contrary, it would be quite possible, if it were not statutorily provided against, for the wage-advance together with the profit-share to fall in the last resort below the minimum of the starvation wage according to the supposed "iron" law, since in such a case the workman would share the losses. The replacement of hired service by partnership would thus be no improvement, but rather an aggravation of the lot of labour, so long as at least the advance of the amount necessary for maintenance were not rendered compulsory.

I am not now concerned to deny that a tariff of individual needs according to place and calling might be periodically drawn up: but this would not be, properly speaking, an operation of civil law, even were it to be carried out entirely by judicial experts, somewhat after the fashion of the Irish Land

Commission for the settlement of rents. The arrangement of the tariff could assuredly not be appropriately managed unless it were conducted by the judicial co-operation of trade-representatives with the officials of the State and the Municipality. But free agreement as to wage-tariffs, sliding scales, and so on, between committees of representatives from both sides, is beginning to make it possible to dispense with the imposition of a normal scale by public law.

Finally it is important that we should not lose sight of the dangers this would create for the Capitalist management of Production. Every local blunder made in drawing up the tariff would have a most mischievous effect in expelling or attracting both Capital and Labour, and thus creating uncontrollable uncertainty. No workman who contributes less work than will cover his needs could find a place; production would have to be abandoned sooner than needful and where otherwise a small contribution to industry would be possible, there in this system industry would cease altogether. Under the most favourable conditions not more than the

minimum for existence could be secured for the working time and this would include only the most absolute necessaries of existence. Being thus limited these proposals provoke the question whether they are worth the risks they involve! Without giving an unconditional negative in answer to this question, I think I may say that the legislation of personal rights will take much thought before it places this necessary income from the "Association of Labour and Capital" universally in place of the fixed wage of hired service, all the more since as it is the wage by no means always coincides with the necessary requirements of the worker.

The third positive and practical advantage which the suggested reform of private right is to bring the workman, is, we are told, universal participation in the profits. This, it it true, sounds very alluring, but if it is ever conceivably practicable, it certainly could not be universally secured by legislation.

The classification of each worker according to his potential "value as labour-capital" and the settlement of the values of all other kinds of Capital would necessitate, if we are not to

leave the steady progress of industrial activity at the mercy of the caprices of judicial experts, a system of periodic valuations which could not possibly be carried out without the co-operation of those agents of common law who are specially skilled in valuation and appraisement: to say nothing of the fact that its introduction would involve the levying of a high protective tariff as against foreign countries, and therefore the assistance of general law.

These persons, as I think, labour under a tremendous delusion who believe that the industrial returns of labour would be well-regulated if a minimum share of the profits fell to the working classes. The Capitalist system of production imperatively demands that the remuneration of labour should be kept in proportion to the product-value created by individual labour. Either this privilege would still be granted to the employer—in which case the result would be that the majority of the workers would be in a perennial state of dissatisfaction through receiving little or no additional payment—or he would be compelled to consult the whole body of labourers before deciding on the promotion of any one—which

would result in the best workers not being secure of their merited share of the profits. On the whole, therefore, this solution by reform of private right, burdened moreover as it would necessarily be with a complicated machinery for valuation, would mean a seriously retrograde step, not only for the high social interests involved in the economical management of the entire process of production, but also for the working classes themselves. The fixed wage regulated by bargaining between the two sides organized in their classes undoubtedly assures to the individual and to the community far greater advantages than the establishment of a universal private right to such and such a minimum, so long at least as no way can be found of supplementing this by a system of premiums on the best class of labour, superior to the capitalistic classification of the varying productive powers of the workmen.

It seems probable, therefore, that the present system of hired service will continue to hold its own side by side with the new free experiments in co-operative societies and industrial partnerships. The most pressing and important task of positive Social Reform is not the abolition of

the hired-service system, but the further development of *private* rights of association for purposes of credit, or manufacture and sale of commodities, the development of *public* rights of association for mutual assurance against accidents or loss of employment, and finally the establishment and progress of organized service and wage-bargaining between representatives of both sides. Neither in point of private nor of public right has the social legislation of our time entirely failed in this duty. In this direction, through the possibility of rising to the management of such associations lies the path to the highest satisfaction of the ambition of the more successful workers. The security and independence of the Capitalistic guidance of Production could not be sacrificed to this ambition without endangering the important social interests which are bound up with the Capitalistic processes of production and revenue.

We have now, I think, achieved the purpose of our investigations into the so-called attempt at a solution "purely on lines of private right." Later on, we may hope that some of their details will range themselves more clearly and comprehensively within our field of vision. In

the meantime, our main concern has been to guard ourselves from falling into a second extreme in the treatment of Social Policy by making it clear at the outset that even private right throughout its whole extent stands in need of improvement, but that being as it is the very foundation-stone of the whole Capitalistic order of Society it needs to be approached with the greatest caution, that here all radical changes and mere negative limitations of custom are entirely mischievous, and that it is a mistake to suppose that any such are required for the success of social reform.

Herein I have secured the purpose of these preliminary observations. We are ensured on the one hand against intoxicating hopes of the magic power of the panacea, which deals exclusively with private right, and on the other hand, against similar hopes based on the reconstitution of industry by means of purely public right. A very dear and gifted friend of mine often says to me: "Humanity is like a drunken farmer, who falls over on the left side if he has been hoisted on to his horse from the right, and on the right side if he is mounted from the left." We have

now seen the truth of this comparison exemplified in the latest radical developments of Social Policy. Mounting from the left side in the name of absolute freedom and equality, humanity falls over on the right into the extreme of public and police regulations, and again, mounting the high horse on the right in the name of the "Solution on the lines of private right," it falls over to the left into the extreme judicial normalizing Socialism of private right, and from time to time the "extremes meet." Truth lies in the happy medium. Reforms both of public and private right all along the line, and reforms not of right only, are necessary in order to bring true freedom, equality, and brotherhood for all into play through and in society. The inclusion of Labour within the domain of Capital, no less than the inclusion of Capital within the domain of Labour, are both theoretically and practically impossible attempts, and all mad radical systems built upon these lead to open or concealed Socialistic programmes, to the extreme of social interference for the sake of extreme Individualism, and not to the Positivism of practical reform.

It is to the entire contents of this Positivism of practical reform, dear Friend, that I now address myself, in so far as it is realizable in the present and near future, with your kind permission and in the hope that you will once more excuse my often necessarily scanty treatment of details.

We have here to deal with three sets of considerations, which must be kept entirely distinct from one another. The first set includes the special organization among themselves of both employers and employed, for the adjustment of their competing interests. The second embraces the whole range of those especial tasks which the State on the side of its social policy has to fulfil within the national industry, in its executive, administrative, and legislative capacities. The third deals with all those duties which a positive Social Policy for the State demands from it, partly in the way of exerting its influence upon the other social forces that stand outside the boundaries of the State, and partly by a progressive and timely development of its own internal organization.

As to the first set, the furtherance of special organizations of employers and employed

among themselves for the adjustment of their conflicting interests, I have dealt with it very conclusively elsewhere (1)

It would be a great mistake to suppose that the government, central or local, can by itself achieve the work of positive Social reform. The co-operation of all, in all departments, whether as private individuals or linked together in clubs or associations, is absolutely indispensable to it. Above all must it have for the work the co-operation of employer and employed. A complete system of representative unions of both classes affords the most important staying point of positive Social reform, and one with which the political system can by no means dispense.

The State itself can do but little to secure this. It can only facilitate it by the introduction of "Labourers' Committees" throughout its own public works, and still more by leaving free play to the movements of the representative trade-unions of both classes in this direction. In essentials this organization of both classes,

(1) "How to combat Social Democracy without Exceptional Legislation." Tübingen, Laupp, 1890.

employers and employed, must be completed by themselves, and this in its threefold form of trades-unions, unions of industrial districts (shires or counties) and imperial or national unions, by means of Committees of Arbitration charged to arrive at a fair issue of the conflict as to conditions of labour, and to preserve the interests common to all. In England, this movement has already in a great measure taken place, by way of joint committees for districts or for local branches. The pressure of interests on both sides must, before long, set this movement into action in Germany.

Such Boards of Conciliation may ultimately become the pillars of social peace between the two Classes. On the one hand the true Democracy, which is not anti-social in its claims, would find full satisfaction: the wage-earning classes as such would negotiate on equal terms with their employers, would be quite as able as they to extort a fair share in the net product, would exert an influence on political legislation, would even afford a powerful support to any Social Policy founded on lines which have been marked out by history as both

possible and progressive: all this in fact would imply for the whole labouring class practical self-government in the social demain, but emphatically *not* Democratic Socialism. On the other side, from the point of view of Capital, there would be a not less considerable gain to the cause of social peace; for in proportion as on the one hand the bodies of labourers in all departments of national industry, besides the great masses of unskilled labour ready to be turned to any purpose, banded themselves together into organized forces, so on the other would Capital stand up together in groups to offer a reasonable resistance to exaggerated demands, while if it also carefully refrained from anything like insult or arrogance it might easily lead the labouring class to be more considerate of its claims by giving them a clear statement of those conditions which make a fair settlement of wages an imperative necessity for any business. By such means as this, Capital as an organized whole would set itself in harmony with the steady progress of Production and of the wage-movement through the processes of concentration and extension of business concerns, and would be

able with the aid of the Workmen's Committees to gain the mastery over the disturbing elements on its own side, the "false brethren" of Capital who by really exploiting the labourers falsify competition and make irremediable havoc of the work of reconciliation. Yet the question may arise whether such a system of trade-organization, marshalling all the forces on both sides to carry on the conflict as to reciprocal terms on an equal footing, both sides being pledged in advance to conduct it with fairness and good sense, would ultimately remain in this stage, or whether it would carry us altogether out beyond the boundaries of the Capitalistic organization.

I will not urge in reply to this, that the objection is nothing to the point, since the movement is one which cannot in any case be hindered and the further development of which even if it should be such as I have indicated could only take place step by step, by lawful methods, and without in any way despoiling the Capitalists. I rather choose to dwell upon two quite different points. This development at any rate cannot take place all at once, and it is highly probable that it will never take place

universally, even in the sphere of industry, still less in that of agriculture. Moreover, if it did take place it would by no means lead to Socialistic Radicalism, but rather to an authoritative structure naturally worked out by the course of history, proceeding slowly and by lawful process from the already existing conditions, a more complete and therefore more desirable social order, alike on the side of economics, politics, and culture.

It is not probable, as I say, that the completed organization of both classes in the industrial conflict would ultimately lead to a reorganization of public right, still less to a purely State-organized and democratic organization. In a recent number of the "Zeitschrift für die gesammte Staatswissenschaft," it was very clearly pointed out with what disadvantages and dangers this formation would threaten us even in the mining industry, which is the very branch of production whose nationalization is already advocated by some thinkers. The most searching examination into the facts of to-day fails to bring to light anything which must necessarily, even in a far distant future, involve the whole of industry, including the

present innumerable petty industries, in a State-organized collective management, or even in a system of co-operative production, assisted and supervised by the State, which last would still have a capitalistic character by virtue of its many ownerships, even though they were many collective ownerships.

Most suggestive of all are the development of actual joint-stock monopolies under official administration, and the checks on national and international competition imposed by *Rings*, *Cartels*, *Trusts*, and so on: for the first have already some of the features of public management, and, with the loss of competition, the people lose their surest guarantee of all the advantages which, as we have already seen, are bound up with the capitalistic leadership of national production. This development may proceed rapidly or slowly, but when it comes, the new social formation will appear as a consequence of the Capital-monopoly, not as the result of the amalgamation of employers and employed in representative joint committees. The above-mentioned marshalling of both classes for the struggle as to terms would in itself rather weaken the desire for universal collec-

tive management. For it renders the position of Capital stronger and more agreeable, the relations of employers and employed in reference to the division of the product more just, the bodies of labourers more manageable, and even, by the help of labour-representatives, a sound form of Democracy more practicable both in industrial and in political matters. It is therefore not probable than even a portion of industry should ultimately gradually strip off (still less all at once) the capitalistic management of the process of production—as the stag strips off his antlers. But even if this should be, no violence or revolutionary methods would be used to bring it about, since well disciplined productive bodies of a high level of industrial capacity would be already in existence, which had sprung up and gradually ripened under the fostering care of the State, but for the most part outside the actual boundaries of the State.

Thus we do not discern any kind of Radical Socialism—least of all Communism—to be the probable ultimate result of the great movements we have been considering in the present and near future. What they *will* bring, these

industrial movements among employers and employed, is more social peace and less inclination for revolution. And therefore it is that the State may calmly look on at their development!

The new time which has dawned for labour-organization is no less unmistakably at hand for the class of the *entrepreneur*. It is especially on this side that we may expect startling developments in the near future.

At the present moment we have most cause to regret not that Capital is being forced to assume industrially and politically a complete party-organization as opposed to labour, but rather that Capital enters upon the new epoch in a state of organization far inferior to that of the Proletariat. And for this we must blame, if not entirely, yet in a large measure, the false security into which it has allowed itself to be lulled by the action of exceptional legislation. The breach which is caused by the expiration of these laws, though serious, will be ultimately beneficial, for it will compel Capital to work out for itself a complete party-organization both economic and political. The breach must be made: the completed solidarity of the World

of Labour, both national and international, will break up the force of the most indomitable inertia and compel even the employers to set to work upon the above-mentioned process of unification.

The tendency to economic coherence on the part of Capital is already perceptible on the field of industry; each recurrent period of strikes on a large scale will strengthen and increase the growth of this tendency. It is probable that employers will enter upon an international extension of their national trade and party organization, such as has already been initiated by the International Labour-Party.

But, it will be said, will not this very fact that both classes rise to be great party-powers, both national and international, both economic and political, and as such confront each other, increase to a fearful extent the perils which threaten Society? I cannot say I share this apprehension. Each class is thrown back upon the other; neither can exist without the other. For this reason either will be all the less ready to overpower and exploit the other, they will the more readily come to a moderate and just agreement with each other concerning

the conditions of labour, be the more anxious to avoid those disturbances of production which are so harmful to both sides, will prefer peaceable development to revolutionary movements, whether in advance or retrograde, and will prove the more receptive to the influence which the State is called upon to exert over both, the more accessible to a positive Social Policy. Not otherwise can we hope to overcome class-antagonisms by means of peaceful reform, on the basis of the already existing and not yet obsolete stage of Social development.

We have nothing to fear from the extension of the representative system on both sides to international contact and alliances. The several national unions of either class would exert a moderating influence over each other, at the same time that they would press forward with equal eagerness in all nations to all practical and attainable goals. They will be able actually to accomplish what the State-authorities of any nation cannot by themselves accomplish, and in any case could only accomplish slowly and with difficulty: they may, in fact, become the practical organs of an international Social Policy, without disturbing

the equilibrium of international competition, and may assist the introduction, settlement, and control of uniform international legislation and administration, for the purpose of the protection and insurance of labour. With reference to protection of labour, you may see this idea worked out in the "Zeitschrift für Staatswissenschaft," shewing in the instance of the Labour Conference at Berlin, that even the Emperor and the Pope cannot arrive at or guarantee a practically efficient system of protective rights for labour equally for all nations without the co-operation alike of employers and employed. And what is true of the international protection of labour is also true, and practically in a far more significant degree, of a uniform system of international Labour insurance, since the latter would involve the imposition of national burdens likely far more seriously to disturb the equilibrium of competition as towards nations where labour insurance was unknown than any of the burdens imposed by protective labour legislation—only excepting the maximum labour day—could ever do.

International alliances in the sphere of social and industrial reform are in themselves by no

means an unhealthy or dangerous symptom. They answer to the fact that national industry is more and more blossoming into world industry and that its parts are dependent upon each other, that they are mutually conditioned by the results of competition one with another. On this supposition rests the justification of uniform international protective rights for labour, hence the justification of the attempt made by the Conference of Berlin, while at the same time is justified the influence which is exerted upon the general international policy, both social and industrial, by all the national unions of labourers and employers. Both kinds of unions would be particularly suited to become the stepping-stones to a uniform international code of labour rights. They would possess the power to compel its introduction everywhere by moral force alone, and to watch over its equitable administration, while central international *executive* organs—although as discreet as a Commission or Conference at Berne—would not be readily, if at all, got together in working order.

In the interests therefore of a positive social and constitutional policy, unions of the kind

above designated are in my opinion devoutly to be desired. The latter affords the former guarantees against stagnation as well as against extravagance and excess. If both classes, Capital and Labour, are sooner or later to make use of their completed organization successfully to realize the old formula "About us nothing without us" (*de nobis ne sine nobis*) as opposed to unpractical legislation and administration of social reform, and to impose by a surprising simplicity and abstinence from interference on the task of the bureaucracy even in the community dominated by a positive social policy, it follows that for no factor in social life can it appear a more desirable development than for the "Social Monarchy."

We come now, dear Friend, to the second main division of a positive social policy, which includes all the detailed tasks of government administration and legislation in the industrial sphere. Into this division fall on the one side the questions which effect the protection of labour, and on the other the question of influencing the fair remuneration, and the actual management of all productive labour, in view of

the division of the national revenue into wages, profits, and rents.

You have probably not yet forgotten the abuse which I had to face twenty years ago, after the appearance of my book on "Capitalism and Socialism," owing to my emphatic demand for the protection of labour (1) including the maximum labour-day, or as it was then called the normal labour-day. But this state of affairs changed rapidly. As early as 1885 Austria conceded a very comprehensive protection to labour, and a maximum working day of 11 hours in factories. In March, 1890, Germany, with the express approval of the Pope, initiated an International Conference on the Protection of Labour, which has already begun to take effect everywhere. In the year 1891, a full and prudent regulation of the protection of labour is in process in German trade organization, thanks to the impulse given by Kaiser Wilhelm II. The State itself submits thereto in its dockyards, arsenals, factories, mines, and workshops. My old demand that "some of the most urgent deliberations of our

(1) Cf. my detailed work "On the Theory and Policy of the Protection of Labour," Tübingen Zeitschrift, 1890, IV, and 1891, I

talkative Parliament should each year be devoted to this point" has been entirely conceded.

It is true there are still many in Germany who think that this is too much of a good thing, and that the burden of it will become intolerable. But since Switzerland and Austria recently, and England long before, have without harm or damage gone at least as far as Germany now proposes to go, this view is not supported by experience. Compared with the burdens of compulsory Labour-insurance, the burdens of Labour-protection are but slight, and as they have been entered upon equally and almost simultaneously in all countries, it is surely evident that they are not by any means intolerable.

Moreover, there is a limit to be assigned, beyond which Labour-protection must not go. And here you will specially bear in mind that what we to-day call protection of labour is only a remarkable extension of a far wider and in part very ancient form of the same development. The labouring class already protects itself by its clubs and its trades-unions. Humanitarian efforts of all kinds, both on the

part of private persons and of societies, are made on its behalf. The Church and public morality have long afforded it a very considerable amount of protection: the same with the State itself in the discharge of its police and judicial functions. All these protective agencies do, as a matter of fact, exert a wider influence than the latest so-called Protection of Labour, which at any rate up till now has worked mainly on industrial labour, and has acted, and will probably always act, in a very unequal degree upon different classes of labourers and upon different branches of industry. Moreover the new Protection of Labour is only directed against the dangers to which it is exposed in the direct service-relations with specified employers. Other branches of necessary Social Policy, as for instance labour-insurance, do not come within its sphere. Only in so far as the old protective methods are not sufficient to cope with the modern large industry does the labour-protection properly so called enter, that is, the direct intervention of the State partly in the persons of the regular officials, partly, and in an ever-increasing measure, by specially constituted officials, such as factory-inspectors and

industrial courts of arbitration. From this you will see that in protection of labour, the State is at last actually pursuing a positive Social Policy, but strictly within the limits of its functions, and by way of support to all other existing and equally qualified protective agencies. There is no question of Socialism in such a method of labour-protection as this. Long may it continue to move, as a branch of positive Social Policy, in the direction in which its actual efforts are tending to-day. Long may it continue to be "a special protection by special provisions of private, punitive, and administrative law, partly through the regular organs, administrative, judicial, and representative, partly, and mainly, by extra authorities, exerted over those labourers who stand in especial need of protection against certain evils arising out of their service-relations with their employers."(1)

These particular evils call for but a few definitely limited protective measures; such as Prohibitive Legislation, and limitations with reference to Child Labour and Female Labour: limitations of labour-time, preventive of ex-

(1) The Author in Tübingen Zeitschrift, 1890, IV.

cessive and uninterrupted labour, the maximum labour-day, securing to the labourer his night's rest, meal-times, Sundays and holidays: personal protection from the risks and the special wear and tear of special trades: the prevention of exploitation in private dealing: and lastly, the protection of contracts. The protection of labour is confined to these aims, and even in these it touches each class of labourer only in so far as his case renders the supreme intervention of the State necessary; it does not interfere equally throughout the whole world of Labour. We are not speaking of excessive State interference, nor should this ever be tolerated. The general protection of labour should be mainly exerted by the labouring class itself, by civil and religious morality and by common law, private, punitive and administrative. You will, I think, agree with me now, that the modern protection of labour means a really positive social policy, but by no means an over-stepping of the natural boundaries of the State.

But is this equally true of the Maximum Labour Day? I must deal carefully with this question, since in 1889 the "proletariat" in Paris proclaimed the universal Eight Hours

Day, and the 1st of May as the festival of the Eight Hours movement.

This question will call for a different answer, according to the aspect in which the Maximum Labour Day is presented in the different programmes. You must, therefore, have patience with me while I detail, as concisely and as clearly as may be, the various differences in question.

Consider first the material difference between the Labour Day fixed by agreement and custom, and the Labour Day fixed by legislation. The first has already been in existence for some time. But the latter comes under the head of specially urgent labour protection only in proportion to the actual need, and especially in the case of youthful workers and women. The legal Maximum Labour Day, such as has long since been fixed, in England at from 56 to 60 hours per week for women and children in factories or workshops, and in Austria and Switzerland has more recently been ventured at 11 hours daily for men, such as Germany proposes to fix at 11 hours everywhere for women—and has long ago fixed at from 6 to 10 for young people—this legislative labour-time has, and will have

purely the significance of a labour protection policy even if it should be extended to all adults in factories, workshops and home industries.

But the legislative universal Eight Hours Day claimed by the proletariat at the Paris Congress of 1889 has an altogether different significance, and it is this which I must here, at your request, treat at greater length.

The Eight Hours Day of the Paris Congress professes, it is true, to be a protection against overwork, and to afford a possibility of leading lives worthy of the name human, but its centre of gravity for all that is a policy concerning the wage question. Not only the guarantee of at least eight hours rest daily, and of another eight hours for recreation, social intercourse, self-culture, amusement, refreshment; these are not the only objects held in view. The Eight Hours Day, it is said, will also be the means of securing a higher hourly wage for this same eight hours day, and of course the employment of more labourers in full day shifts, in consequence of the lessening of each labourer's tender of work.

In order to judge fairly of the Eight Hours Day we must first lay aside all prejudices and misunderstandings. I may remark, therefore,

that a *hygienic* labour day for specially arduous forms of labour is quite admissible, even should it be fixed at *less* than eight hours: and further, that the maximum labour day *fixed by agreement* could raise no objections, were it even eight hours, or by degrees less, and were it even to become general. I think it not at all impossible that separate nations, and even perhaps some day all nations, should arrive at such a pitch of spirit and industry throughout the masses of its labourers as that the Eight Hours Day should almost everywhere be as economically justified and admissible as it is already to-day in certain special branches of labour. But it is with the universal *compulsory* Eight Hours Day that I am now dealing, not with any merely hygienic or other eight hours day: with one that is to be definitely fixed and solemnly enforced on, say, January 1st 1898, or some other date within measurable distance of our own day.

Some of the objections to this Eight Hours Day which have come to the front seem to me to carry little or no weight.

The maximum Labour Day fixed for industrial labour is, say some, only a half

measure. To make the maximum Labour Day a real thing, we should need to enforce it for agriculture and for public offices as well. It is probable that Social Democracy will be very ready with further proposals to obviate this difficulty!

Neither do we entirely dispose of the Eight Hours Day by declaring that we should never find whole nations, or even their whole labouring classes, coming to an agreement on the matter. True, this is possible, even probable, but it still remains to be proved what international labour-agitation may accomplish in an age of universal suffrage and world-congresses, especially in England, where the process of democratization has gone furthest, and whose example would assuredly be followed in any reasonable attempt. And the possibility of an approximate, to all intents and purposes equal, shortened international labour day would be not unreasonable or inconceivable. Moreover, there would always be in reserve the protective tariff as a politico-social weapon of defence against nations who refused to adopt it.

There can be no question, either, concerning the right to fight for an extension of the

Eight Hours Day by agreement, for this is incontestable.

No doubt the universal Eight Hours Day fixed by law would be more contestable, at any rate from the point of view of mere labour-protection policy, just because it is not a universal need. But Social Democracy really advocates it as a method of raising wages, or at least of ensuring full employment for all labourers. Hence the decision for or against the fixing of the Eight Hours Day by legislative enactment lies with the answer to the two questions, whether the above mentioned hopes with respect to the wage-policy are well founded, and whether the State is justified in interfering so largely for the one-sided class-interest of the present generation of labourers.

Neither of these questions can I see my way to answering in the affirmative, and therefore *I would continue to refuse the universal compulsory Eight Hours Day, until such time as the labouring class in all competing countries equally and throughout the whole range of production shall have succeeded in winning for themselves, in their struggle with Capital, the Eight Hours Day fixed by*

mutual agreement. It will be well for me briefly to show my grounds for this opinion.

In answer to the first question, no strong probability, and still less any certainty, can be established for the supposed gain to the wage-policy. For only consider what it is with which we are practically dealing: we are by legislative enactment to shorten, suddenly and universally, the industrial labour of the nation by the amount of from 20 to 30 per cent. of the present labour time, and yet for this shorter labour it is supposed more wages will be forthcoming, or at least the existing rate of wages will be maintained, together with the actual employment of all the existing labour forces!

How is it conceivable that wages should rise above, or even maintain, their present level, if labour time were suddenly, forcibly, and universally, cut short by from 20 to 30 per cent.? It would have to be either by a corresponding decrease of profit and income among the propertied classes to the amount of the rise in wages, or by an enhanced productivity of national labour owing to progress in technique, or in the labourers' skill and application, or in both together.

Now no one can precisely say how much the commercial propertied classes pocket in profits and rent, in proportion to the incoming wage of their labourers: but it is probable that if you deduct the amount which the mass of small and average traders make, more from their own work than from their Capital, you will probably find that, in spite of a certain number of gigantic incomes, the commercial profits are not on the whole so very large a sum in proportion to commercial wages as they are often made out to be. It is therefore very doubtful whether it would be possible to recover any part of them as wages.

Even were it possible, it would still be by no means certain that the wage-contest between Labour and Capital would ever achieve so extreme a diminution of commercial profits and proceeds, still less that it would do so by a certain specified and not far distant date. Some part of Capital, like labour, may choose to "play." Part may be diverted, and pass beyond the bounds of Europe. It may gain extensive victories by forming coalitions. It may, by limiting production, turn aside the pistol which the universal Eight Hours Day points at its

breast, since it would thus keep no more workmen employed than formerly. It may raise the prices of commodities, thus decreasing *real* wages, instead of increasing or even maintaining them at their present level.

But even if the compulsory Eight Hours Day should have the effect of causing capital to employ a greater number of labourers, it might supply this need partly from those foreign quarters which had no Eight Hours Day, partly by drawing them from agriculture and forestry, and even perhaps after twenty years or so from the increase of population among industrial labourers.

Capital in any case will do all in its power, by sterner application, sharper control, improved and increased machinery, to get more done, and in a shorter time than before.

Taking all these possibilities into account, we see that the Eight Hours Day will not necessarily increase the demand for labour so suddenly and so continuously, as to force the owners of property to come upon their profits, interests, and rents for a general increase of wage, or even to maintain the current rate of wages. The very reverse is at least as con-

ceivable, and perhaps even more probable—provided, of course, that there did not set in a steady and continued retardation of the increase of population. And it is most improbable that such a retardation should set in just when for the first time a general rise of real wages had begun, and increased facilities for supporting families.

The assumption, therefore, that the universal and compulsory Eight Hours Day would introduce a permanent rise of wages, or would even secure the continuance of existing Wage-conditions at the expense of profit and interest is not capable of proof; it is scarcely even probable, least of all certain. On so weak an assumption therefore, we dare not base the demand for so serious an interference on the part of the State as the establishment, by the 1st of January 1898, of a universal Compulsory Eight Hours Day. Such interference might result in a fearful disenchantment to the very labouring world which calls for it.

Quite as groundless is the assumption that when once we had a shorter labour-day, a rising improvement in technique and in the

energy of labour would secure as high a level of production and of wage as when the labour-day consisted of ten or eleven hours! . We have no sure reason for supposing that the increase in productivity would be sudden, universal, and uniform. We must not allow the experience which we have had with the ten and eleven hours day—which, observe, did no more than prevent real over-work, inducing unproductivity—to mislead us into the other extreme of concluding that the productivity of labour increases in the inverse ratio of its duration. The supposed compensation can only be expected to ensue from the ten or eleven hours day, which belongs to a policy of protection, not from the Eight Hours Day which is part of a wage-agitation, and which cannot, like the former, be said to stop short exactly at that point beyond which the whole day's labour begins to be less efficient.

This supposed rise of productivity would be peculiarly questionable if the abolition of piece-wage in favour of an exclusively time-wage—such as is aimed at by some—came in to militate against any adjustment by increased intensity of labour, and still more if profits

decreased so much as to exercise a damaging effect on the rising activity of industry.

But even if a rise in productivity sufficient to counterbalance the diminution in quantity of labour were as certain as it is really uncertain, it would still be a question whether the rising product value would be used for the maintenance and increase of the wages-level, or whether it would not rather go to augment profits and interest. And if an improved use of machinery supervened, especially if accompanied by a decided increase of population, the demand for labour would not be materially increased, and the result would be to place Capital in a more favorable position in the labour-market than ever. Even in the second direction, therefore, the advantages to accrue to wages from the Eight Hours Day are by no means certain.

Supposing then that neither a lowering of the rates of interest and profits, nor yet a rise of productivity, supervened by way of compensation, it is clear that as a result of the shortened Labour Day the wages of labour would sink some 20 to 30 per cent. And it is quite possible that at some time or other both the above suppositions would fail together.

No less uncertain is the promised absorption of all existing unoccupied labour forces by means of the Eight Hours Day.

This effect would not necessarily be produced even in the first generation, since there is always the possibility of limiting production, and if the hope of enhanced productivity is not entirely vain, more machines may be set up, and thus the necessity for any considerable influx of labour forces avoided.

If not in the first generation, still less in perpetuity could this effect of the Eight Hours Day be securely realized. Increase of population might bring large reinforcements of labour into the field, and such an increase would most probably take place, *ceteris paribus*, if the hourly wage were really increased, as we are told it would be, by the fixing of the universal Labour Day. Any decrease of wages, moreover, in consequence of the lessened productivity of national labour, would necessarily increase "the reserve force of industry," by means of a lessening of consumption, resulting in limitations of employment in the manufacture of articles not absolutely necessary.

If the Eight Hours Day did actually lower the yield of national production, it would be those bodies of labourers employed upon articles other than necessaries, as well as all the inferior labourers, who would be threatened by it. For the demand for such articles diminishes first and most considerably, while the labourers who worked least well, and thus accomplished the least work in their eight hours, would ultimately be less highly paid. We see in this connexion that the uniform national and international Eight Hours Day would not have at all the same results in different countries, or even in the competing labour groups of single industrial districts in one nation. Even the very national and international uniformity of the Maximum Labour Day of the wage agitation has, therefore, grave objections which I will not, however, pursue here in detail.

The entire prohibition of overtime work again, to prevent excessive production and the overloading of trade, would give no security, either of a higher hourly wage, or of permanently averting, or even lessening, the superfluity of working hands. Indeed, the very reverse may prove true, at least in all those branches of

industry which are inevitably exposed to recurrent periods of depression and over-production, from the very nature of the demand which they supply.

If, then it is so extremely doubtful whether the compulsory Eight Hours Day would have the desired effect on wages, and if the intrinsic value of the measure is so disputable, it becomes ultimately a serious question whether the State is at all justified in assuming the regulation of the Labour Day in general, and not merely by way of protective right.

The State ought, undoubtedly, by its social policy, to exert a direct influence in securing a minimum wage, sufficient to allow of an existence worthy the name of human, and this it does for instance in the case of labour insurance. The very utmost it could do would be to seek, in the spirit of Rodbertus, to ensure by practical measures the possibility of which remains to be proved, and perhaps cannot be proved, a proportionately fair wage —the ideal limit of which has, however, been vainly sought since the days of Von Thunen. The State must not in any case take upon itself a measure so entirely incalculable in its

consequences as the sudden and universal cutting down of the Labour Day by from 20 to 30 per cent.

The State has no right to do this; no right as against the propertied classes, and no more right as against the labouring classes. As towards the latter, it would run a risk of diminishing their wage, at any rate the wage of all those labourers working at the production of commodities other than necessaries.

It would be they who would really in part pay the cost; for they would come short in wages if a diminution in the result of national production took place in consequence, while at the same time there was no compensation from the lower rates of interest and profits. Towards those labourers in any industrial department who, while keeping within the maximum labour time fixed by protective legislation, yet preferred working longer to earning less, the State would find it hard to justify, as a step of wage-policy, the experiment of the Eight Hours Day. It would involve a not inconsiderable limitation of freedom to many, and that by no means the worse sort of labourers. But enough of this side of the question.

But, it will be said, may we not be compelled to try the experiment? No one will venture to pronounce an unconditional negative to this question in these days of irresistibly increasing democratization of constitutional rights in all countries. The decisive vote, it is clear, lies in the hand of England. If that country does not lead the way, if it does not lose sight of the serious considerations involved in American, Asiatic, and perhaps also one of these days African competition, then we are not likely to have any attempt made at a universal Compulsory Eight Hours Day in the remainder of Western Europe. But in England it is precisely the aristocracy of labour, the trades-union men, *skilled labour*, who are not converted to the Compulsory Eight Hours Day, and the question is whether *they* will give way to the leaders of *unskilled labour*—Burns, Tillet, and the rest. At the Liverpool Congress in September, 1890, as I understand, on the motion of Patterson, the universal Compulsory Eight Hours Day was distinctly opposed to the partial Eight Hours Day fixed by agreement: the latter was refused by a majority of only 3—181 votes against 178.

By refusing the Compulsory Eight Hours Day should we be excluding for all time the possibility of a diminution of the hours of labour below the ten or eleven-hours factory-day now in practice? By no means.

The fundamental error contained in the universal Compulsory Eight Hours Day is not the assumption that the labour-day will admit of being gradually diminished, but rather the idea that a *compulsory* maximum labour-day could introduce *suddenly*, *universally*, and *after a uniform pattern*, what can really only be brought to pass *gradually*, *piece by piece*, *unequally*, and *variably*, by means of the maximum labour-day *fixed by agreement*. Moreover, if so pronounced a compulsory diminution of the labour-day were ever to become universally attainable it could only be by little and little, and not everywhere all at once, by means of the gradual diminution of the maximum labour-day fixed by contract in each country, and within each branch of industry, both within and without the boundaries of the actual factory system. The next step we have to take is not from the 10 or 11 hours maximum factory-day to a universal Com-

pulsory Eight Hours Day, but onwards from the former by a prolonged struggle between the two opposing factors, varying according to time, place, and business, and resulting in a varying and yet further variable maximum labour-day fixed by agreement.

We should have no occasion to place any obstacles whatever in the way of such a method of diminution. We should have neither right nor cause for doing so. There is nothing to fear from the actual approach of such a diminished labour-day, which might even from time to time be subject to legal settlement at a maximum of less than 10 hours. There is all the less cause to fear it from the fact that it is emphatically to the interest of the working-classes to avoid any extreme positions from which they might subsequently be forced to retreat. The large majority of them would prefer, below the limit of overwork, to work more, in reason, and earn more, rather than to have more time for recreation and to earn less. Capital, moreover, will least of all have cause to regard with jealousy or anxiety the far distant possibility which the future may hold in store of a gradually realized Eight Hours Day, the

result of a series of diminutions mutually agreed on by both sides, and proceeding along with progress in technique and a rising scale of wages proportioned to a healthy movement of increasing population. For the sooner we arrive, first by agreement, ultimately by legislation, at a stable and enduring Eight Hours Day, the more brilliant will have been our progress in technique, the more normal the movement of our population, the more peaceable and orderly the future life of our State.

I believe, therefore, that we may discuss the Eight Hours Movement without heat or uneasiness, of course with the proviso that we do not allow the labouring democracy to tear down all the constitutional limits of their absolute sway.

But we need to specially emphasize the point that even the Eight Hours Day of the Paris Congress is not properly speaking a Socialistic demand. It may indeed be that some leaders of the movement see in it a means of weakening and undermining the Capitalist system of production, but the proposal does not in itself fundamentally threaten private property in the means of production. A day of eleven,

ten, or even eight hours does not imply the triumph of Socialism. On the contrary, I rather suspect that its leaders put forward the Eight Hours Day in order to be able yet a while longer to evade their promise of the fundamental alteration of the entire system of production. Therefore we would say to the proclaimers of the Eight Hours Day and the world-festival of labour on the 1st of May, "Nothing is gained by terrorism," and to the promoters of a positive Social Policy "Keep a cool head and go forward!"

A Normal Labour Day, in the sense of Rodbertus, would, in the hands of Social Democrats, be a really collectivist measure. But hitherto, the Eight Hours Day has had nothing whatever to do with this Normal Labour Day. The latter is not a measure of protective legislation, nor yet of wage-policy, but a common denominator fixed for the reduction of individual to general social labour-time, for the purpose of a normal valuation of products and of labour-contributions: a normal labour-hour would serve this end quite as well as a Normal Labour Day. But communistic Social Democracy does not put forward the

demand for a Normal Labour Day. However strongly they would turn the screw of maximum labour-time for the purpose of their wage-policy, they are completely silent as to normal labour-time, and as to regulation of value and income thereby. As a party they have made no pronouncement upon it, and as a party they do not need it: for they claim as a communist party, which they have been since 1875, universal distribution of income according to needs!

The reduction of equal amounts of labour-time, of different individuals in different branches of labour, to unequal quantities of normal time, or the relatively unequal remuneration of astronomically equal amounts of labour-time, goes assuredly against the grain with the masses of the democracy. It is better in their company to say nothing at all about it. Hitze, a leader who has always taken part in any proceedings in the German Reichstag with reference to protective legislation, states definitely, from his own experience, that parliamentary Social Democracy has always had in view the Maximum Labour Day, never the Normal Labour Day. His words were:

"No speaker in the German Reichstag not even a Social Democrat, has ever thought of introducing the Normal Labour Day, either in the sense of a socialistic state of the future, or in the sense of Rodbertus, but always only the Maximum Labour Day, the establishment of an extreme limit to the admissible daily labour-time, however much use may have been made in many connexions of the ambiguous term, Normal Labour Day."

The movement will not, it is evident, be able eventually to evade the real issue. Some kind of proportional Normal Labour Day as a common denominator for the valuation of commodities and the measurement of income for all, must, as a matter of theory, and of party programme, inevitably be formulated, and in spite of the danger of a split on this point, must be presented for the decision of the party in one sense or the other: especially as soon as existing illusions have been dispelled with reference to bringing in the "reserve army" of labour, and producing a universal rise in the hourly wage, by means of the Eight Hours Day.

When this takes place there are three possible courses which may be taken. The

Normal Labour Day may be logically extended into a socialistic scheme, with the aid perhaps of the proposal lightly sketched by Rodbertus. Or, in the second place, the Maximum Labour Day may be elevated into the Normal Labour Day—in other words, without any attempt at reducing it to a normal social labour, the astronomical time-hour of every labourer may be taken as equal in value to that of every other, and the valuation of commodities and income made accordingly. Or, in the third place, the communistic setting aside of all Normal Labour Time, on the understanding that every-one shall work as much as he can, and enjoy as much as he needs.

The first of these courses, a recurrence to the methods of Rodbertus, is open to the objection that it runs counter to the democratic antipathy against reckoning equal quantities of labour-time as productive of unequal quantities of Normal Labour, to say nothing of the practical difficulties suggested in my second letter, or the defects in the formulæ of Rodbertus.

More easy to conceive is the second course, a development of the programme in the direction of identifying the individual astronomic labour-

time with the Social Normal Labour Time; in other words, assigning equal value to the hour's work of everyone. But it would cost Social Democracy the very pith and marrow of its present following: for the better workers would be working for the inferior, and the latter would reap the advantage. Such a proposal could scarcely come within the range of a practical attempt. But even the highest theoretic Optimism cannot dispute the probability, almost amounting to certainty, that such an attempt, if in despite of its gross unfairness towards the more strenuous and more highly-skilled workers it should ever be made, would absolutely crush out all willingness to labour on the part of the most skilful, and would thus result in an incalculable diminution of the product of national labour, and hence also of wages. It it true the masses among whom the agitation is proceeding would not be deterred by this consideration, they would still demand, in the name of equality, that the astronomical labour-hour should be treated as the normal, a demand which already has half been made in the claim to universal minimum hourly wage.

In attempting to carry this out, we should be brought within easy range of the third and most extreme alternative above mentioned. No need for normalizing, no occasion for a Normal Labour Day! No longer "To each according to his work by the agency of the State," but rather "Let each work as much as he can, and enjoy as much as he needs and desires." Even the craze for equality, which would take as the normal time-measure the astronomical hour of the Maximum Labour Day, would be outdone, and for this purpose even the identification of the Normal with the Maximum Labour Day set aside. It is true that practically we shall never reach this extreme. But it is interesting to note that during the time that the Socialist Law was in force, this cheap method of agitation, recurring to the extreme of Communism, became very widely circulated under the very eyes of the police.

It is not my idea to maintain that the present leaders of Social Democracy, returning to Proportional Socialism, would demand the astronomical as the normal Social Labour-hour, for the case of the introduction of a normal time-measure. The said leaders, as I have

already shewn at present, demand the Eight Hours Day only as a matter of protective legislation and wage-policy, and this on a purely Capitalistic basis. It never occurs to them to take any precautions that the Eight Hours Day should bring to all labourers the same wage for each hour of normal or astronomical labour-time. Thus they actually move throughout upon the ground of the Capitalistic order of Society, however much individuals among them may think to disport themselves in the lion's skin of Socialism. If it came to the point of an attempt at actual Collectivism, the communistic programme of 1875 would certainly prove very favorable to the desire of the masses for assigning equal value to the labour-hour of all individuals.

I think I have now succeeded in finding for you a sure and well-considered standpoint from which to form a judgment as to the "world question" of a universal Eight Hours Day, and to gain a clear insight into the fundamental distinction between the ten or eleven hours day of merely protective legislation and the Eight Hours Day of Social Democracy with its bearing on wage-policy.

Moreover, I have no wish to ignore the fact that the Eight Hours Day, with its yearly festival celebration, has already been for some time in force in England's Australian Colonies. (1) I maintain, however, that the results reached there cannot be directly engrafted on the old soil of Europe, and also, that it is possible that even for Australia this triumph is only temporary and not final. Already the Eight Hours Day has there necessitated a policy of protection, of exclusion of the Chinese, and of diverting European immigrants from the Australian labour-market, as you yourself will easily perceive by consulting the authentic records of Ruhland.

The Eight Hours Day, dear Friend, with its primary significance for wages, has led us already to the second main division of the practical points of reform with which a positive

(1) Every year the introduction of the Eight Hours Maximum Labour Day for adult male workers is celebrated, in Victoria since the 21st April, 1856, in New South Wales since the 1st October, 1863, in South Australia since the 1st September, 1873, in Queensland since the 1st March, 1878, in Tasmania only since the year 1889. See Ruhland, Tüb. Zeitschrift, 1891, II.

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of his labour: property does therefore secure the very thing which Socialism promises but cannot safely guarantee. We are therefore far from having proved that the destruction of the union of property and labour in the peasant-class is inevitable.

But even supposing that Democratic Collective Production were industrially more productive or even as productive as peasant industry carried on with growing intensiveness, zeal for labour, and profits from labour, there would still be no decided advantage in adopting the former. To begin with, it is very questionable whether the modern State, and especially an unboundedly Democratic State, would be manageable at all without the propertied peasant-class, economical and steady. But laying aside this doubt, the popular demand for happiness for the people would certainly decide the issue in the opposite sense. A quite incalculable amount of popular happiness is at present conferred by that very ideal value set upon the independence conferred by and the attachment felt to property of one's own, and even to property held on lease for the cultivator and his family. The whole peasant-class would

rise in fury if we should come to the point of abolishing landed property, and even the day-labourer, and the agricultural industrial worker who cultivates his own and others' plots of land, would throw in his weight into the same scale.

So great is this ideal value, that it produces a genuine "land-hunger," which results in the very root and cause of all agricultural distress, extravagant prices and rents for land, and the consequent overload of unproductive debt. We have here reached one of the cardinal points with which a Social Policy for the preservation of property has to deal.

Agriculture is at present in a distressed state. And why? The answer can be made out from the statistics of compulsory sales.

According to the latest returns for the whole Prussian state—the result of which is on the whole confirmed by the same statistics in Baden, Bavaria, and Austria—if we except the lowest class of owners, it appears that compulsory sales diminish in the main in proportion as the income from work is greater than the income from investments.

If this result does not tell in favour of a "universal machinery" of large agriculture, the

statistics shew on the other hand where the shoe pinches for the landed proprietor.

The largest proportion of cases of compulsory sales (nearly 42 per cent.) are caused by debt voluntarily incurred: these might be more than outweighed in a democratic collective system by the collective waste and want of economy. The next most frequent cause of compulsory sales (about 25 per cent.) is the weight of unproductive debt incurred for the sake of the possession of land by hereditary tenure or by purchase: in cases of farmers' bankruptcies extravagant rents stand as the next most serious cause. The general depression in agriculture is only responsible for 10 per cent. of the cases, and those are nearly all cases of large properties, only from 2 to 3 per cent. of such bankruptcies occurring among the lower grades of holdings.

The remaining cases of bankruptcy are classified as follows: 6·7 per cent. from "circumstances connected with the business," 6 per cent. from natural occurrences and trade disasters, 3 per cent. from excessive usury and fraudulent trade-dealings, and about as many from family causes. It is evident that by far

the greater number of these last cases need not occur, and many self-caused subhastations might be avoided, if only strict limits were set to unproductive debt by legislation dealing with inheritance, purchase, credit and tenant right, by means of which the owners of land would be enabled to hold their own successfully against debt, accidents, foreign competition, the commercial situation and family misfortunes. "Exploitation" by means of interest on borrowed capital would be at an end, the peasant-class would draw the whole productive result of their labour and of their property, they would hold their own capital, and be free to face competition, to make improvements and progress of all kinds, and would stand in the full enjoyment, both ideal and real, which their property would be able to confer!

This legislative development of tenant right, and of the right of agricultural purchase and credit—together with prevention of the absorption of small holdings into large ones, through the action of large masses of capital—is attainable in the most thorough-going manner, and without any check on the freedom of

alienation when desired. The way to it is by *gathering in all agricultural holdings into district unions with exclusive rights of hypothecation, under condition only to make redeemable loans for the purpose of purchase or inheritance of land, up to a certain percentage of the capitalized value of the yield of the land*, and on the other hand *by assisting, as simply, as fairly, and as generously as possible, all institutions for productive personal credit as well as credit for insurance purposes, and for the purpose of making a provision for the family.* The prevention of the taking over of properties at less than the capital-value of their yield, by this means checking the absorption into large estates, and the establishment on a fair footing of tenant-relations according to the three F's of the Irish Land Acts—fair rent, fixity of tenure, free sale—could be attached very simply to this "Incorporation of Hypothecated Credit," as I have termed the measure, which I have elsewhere thoroughly explained, without having as yet met with any contradiction. For this I must refer you to my special work dealing with this question (1). The

(1) Die Inkorporation d. Hypoth. Kredits. Tüb. 1874.

introduction of this measure would in my opinion, be far more pregnant with force for social conservation than even the compulsory insurance of labour, to which as a measure for the protection of property it is the natural pendant. Nor does my proposal exclude the possibility of other important, perhaps better and more practicable measures of agrarian policy, for the preservation of the peasant-class and of desirable agricultural labour-conditions (the fee-farm, the rented estate, manor-rolls, the granting of allotments (1) and so on.)

You will now, I think, understand why I regard an incorporated system of hypothecated credit, and of the entire traffic in real-estate, as an infinitely more efficacious positive method of combating Social Democracy than even my much cherished scheme of associated compulsory poor-funds. It would, I believe, obviate universally and with full security the evils of over-payment for estates, of the over-straining of purchase-credit and of the credit required to meet testamentary burdens, of extravagant rates of

(1) "Erbpacht, Renten güter, Höferölle, Vergebung von Vorwerken."

interest, excessive rents, the absorption of the independent peasant-class into huge estates of the monied and landed aristocracy, and all this without in the slightest degree interfering with that traffic in real-estate, which is socially so desirable. It would be the means of securing, in so far as it can be secured, a payment of labour which should bear something like a due proportion with the actual productivity of labour, and thus it would be—what it alone can be—the saving of the peasantry, the class which of all others is the bulwark against Collectivism, the foundation pillar of a reliable army, the unflinching support of a truly individualist industrial system, the unshaken and unshakeable basis of authority both in Church and State. Collectivism would then become wholly impossible. The most dangerous recruits of the Collectivist "State of the Future" would leave its ranks, to become sturdy individualists in the agricultural settlements.

You see that a positive Social Policy has a further very efficacious method of positively combating Social Democracy. For its details, I must, however, refer enquirers to my book already mentioned, which is probably well

known to you. I will confine myself here to the consideration of how far the possibility of these methods has been already tested by experience. Gladstone, who was the most influential member of the Cobden Club, did not hesitate to venture upon a strong step of State interference with agrarian right, in the direction of "fair rents," rents, that is, which would leave something beyond the bare margin of absolute subsistence. In Germany, where land is still largely held under Government, the State can even exert a direct influence on the fair remuneration of family-labour in agriculture: for this purpose it need only refrain from "exploitation" in its own leases. It might even again try the experiment of hereditary tenancies—without forging fresh chains to bind the peasant to the soil and without fixing rents on a permanent level for ever.

It cannot be urged against the endeavour to bring back the value of estates, hereditary or purchased, to the capital value of their net produce, that by this the "natural," that is the "free" formation of prices would be interfered with. All "free" excessive prices for land in good times, and extreme underselling in bad

times might well be called unnatural. The universal associated effort to prevent the excessive and unproductive overloading of the holder of land, whether from inheritance or purchase, by indirectly producing normal prices, would thus effect universally and even for minutely sub-divided districts what the right of next of kin under the manor-rolls (1) could only very partially effect.

It is possible, by such means as these, not only to secure the peasant class from all extortion and exploitation, but also so to raise their efficiency and skill in labour as that they can successfully hold their own against all the competition of foreign grain. If this is successfully carried out, this rampart of the organized development of our Society will become inpregnable to Social Democracy, and more than this, a sufficiency of income will be secured for a population much larger than the existing industrial proletariat.

Even the small tradespeople and handicraftsmen, who already in a large number of cases are

(1) Das 'Anerbenrecht' der Höferolle. [2].

holders of land, will not always remain a prey to Social Democracy. A great part will either find satisfaction where they are, or emigrate, a portion will join the wage-labourers—on the whole, without being the worse for it—and will gain a sufficiency of income by help of the reforms directed towards the remuneration of the proletariat.

The remaining petty industries can never of course gain much help from guilds and trades-unions of the old-fashioned sort. The local compulsory mutual societies may be in a position to do some good in this or that particular direction by helping in the inspection of labour-conditions and quality of produce, by furthering industrial education, by forming Courts of Arbitration, by electing industrial councils and so on. Speaking generally, not only will industrial subsidiary labour have to band itself together in large compulsory associations and unions, specialized for special objects, but also their superior leaders will need to unite in centralized and local bodies and Chambers of Commerce in order to acquire the necessary force for represenation and reciprocity. I frankly confess that I do not think much of attempting a

revival of the old-fashioned guilds. Whatever there is of active working power in the newest form of trades-unions, is precisely that part which is not of the essence of the old trades-guilds.

But again in the matter of the distribution of income and of household-economy, the social question is of course not merely the question of the peasants and artisans, but also the question of wage-policy and of household economy affecting *non-propertied* labour, that is, labour in the usual sense of the word. But here also a great deal can be done by simple methods and without recourse to Collectivism. As for the latter, I have already sought to demonstrate in my second letter, in dealing with Rodbertus' plan of reform, how little it would really avail to accomplish.

The labouring class is already doing for itself the main thing that needs to be done, in that it is learning to present a more and more united front to capital in the conflict as to the settlement of wages. The duty of the State is to refrain from in any degree hindering the wage labourers in this task, and to allow them full and complete freedom of combination. I have already referred to the high value of this

labour-organization from the point of view of a social policy: there lies in it a degree of self-help in freedom and equality of quite incalculable worth, even if the process should be a somewhat rough one, prolific in strikes, before both classes have complete organized committees to effect the settlement, still it gives us hope of coming eventually to the highest attainable measure of social peace and compensating fairness, of freedom and equality in the good democratic sense. England is a living proof of this, where skilled labour has long since left behind the coarser days of the movement of Trades Unionism, and where unskilled labour, now under the leadership of Burns, Tillett, and others beginning to strive after the same universal organization, will eventually reap the same harvest in its turn.

Not only the amount of wages is here in question, but their stability, and their share in any rise of the net product. You, probably, have not at hand the records of the Berlin Conference, and you will, therefore, permit me to quote word for word the picture which Dale, the English delegate, draws from his own experience of the workings of the class-

movements towards settlement by agreement. "About five and twenty years ago there was a long and numerous series of strikes in the north of England mining industry. As a result of this, the employers concerted together to find a means of regulating wage-conditions. At first they altogether refused to treat with their workmen *in corpore*, but at length following the advice of a few of the more far-sighted among them they resolved to recognize the Labour Union of one and the same mining district. This principle once set up formed the essential basis of the system which has since prevailed for the settlement of any disputes that may arise. This has been the case now for 20 years. At first the proceedings were limited to conferences between the representatives of masters and of men for the sake of dealing with some special question. Subsequently the principle was admitted of a settlement of all questions by arbitration, and it was applied as follows: each party nominates an equal number of arbitrators, usually two, and these elect a chairman: this latter office is willingly undertaken by persons of high standing. As the questions which were submitted for

settlement to this Court of Arbitration were mostly questions of the relations of wage-rates to sale-prices, for the decision of such questions it became necessary to determine the latter by an official inspection of the employer's books. The most important means which were used for the regulation of the relation between wages and prices was the introduction of a sliding scale. The sliding scale aims at establishing a relation between the rate of wages and the prices of coal. At first, the following procedure was, from time to time, adopted for the determination of this relation: five successive trade-years are taken in the course of which there have been considerable fluctuations both in prices and in wages (the latter in consequence of strikes, agreements, and arbitration). The average, per quarter, of prices and of wages is then reckoned and the numerical relation of these amounts to each other determined. The average of this numerical relation is then regarded as the expression of the normal relation which must obtain between wages and the sale-price of coal. After the scale has been thus determined the average sale-prices in all the

mining-properties in the district for the last quarter are reckoned. To this basis the above-mentioned numerical normal relation is applied and the wages for the ensuing quarter determined. The same reckoning is made every quarter. The reckonings are made by two official book-inspectors, one nominated by the labour-union and one by the employers' union. To these experts the books in every business are submitted, but they are pledged to strict secrecy as to what they find there. They limit themselves to the task of certifying: 1st, that the average price of coals in the district during the last quarter is determined to have been so and so; 2nd, that such and such wage-rates must be the result. In this way the labourers obtain without mediation or strikes or arbitration such wages as they could not otherwise have hoped to obtain without a great deal of exertion and effort. The numerical law which connects wages with sale-prices is usually fixed for two years at a time. From this time, each party is bound to give a half-year's notice of any change; but the first sliding scale has undergone very little alteration. in the last six years. Notice of departure from it has just been given by the

employers of the county of Northumberland as well as by the workmen of the county of Durham."

Somewhat similar is the united wage-list, or wages-tariff, which appears to be gaining vogue in Germany since the example set by the printing trade.

All the signs of the times seem to indicate that the English movement towards trades-unions in both classes will soon take shape also in Western and Central Europe.

Honoured Friend, when I say that the State must allow free play to the organization of both classes, for mutual agreement as to the conditions of labour-contracts, I do not mean to deny its duty of positive interference, to influence wage-relations and the conditions of the labourer in a manner favourable to him. The State can exert this influence by virtue of the fact that it is itself an employer of labour on the largest scale. And it can exert it the more effectually and strongly in that it has the power of legislation and administration to use for securing this end.

The State as an employer exerts a determining influence, which reacts upon the whole

condition of wages, if on all its works it pays steady and desirable wages, gives a share in the profits, and altogether sets a social example in the management of its business.

In legislation and administration, the State can also approve itself to the wage-labourers by a positive social policy towards all other employers.

First and foremost, it can further the Savings Bank system and labour insurance. I will stay to consider this point a little.

Both the Savings Bank system and the insurance of labour work in a manner peculiar to themselves, but they belong together and must supplement each other. Both represent the organization of forethought and self-help against the evil consequences of penury, incapacity to labour, and loss of employment. The General Savings Banks, however, as well as the separate special labour club-funds are supported by the free desire of individuals for self-help, and consequently place the savings freely at the disposal of their owner, to be turned to every private or public purpose for self-help and for the help of others. Compulsory Labour Insurance, on the other hand, obliges

everyone unconditionally to secure some small provision for certain definite kinds of misfortune. Savings Banks and compulsory insurance, therefore, whether independent of each other, or so connected as to attach free deposit banks and acceptance of savings on deposit to the machinery of compulsory insurance, do evidently supplement each other in a manner advantageous to both.

Let us now consider the two systems each on its own merits.

I will not repeat what has so often been said before as to the importance of the Savings Bank System. But I think it desirable to quote from the Prussian Statistics, just so ably worked up anew by Evert, those facts which are decisive for Social Policy in general.

In the old provinces of Prussia there had been, in 1839, only 85 Savings Banks, with 18·23 millions of marks deposit. By 1869, there were already as many as 560 Savings Banks, with 343 million marks deposit, while including the new provinces there were 917 Savings Banks, with 1,471 millions of marks. Twenty years later, in 1888-89, there were in the whole State 1,363 Savings Banks, with 1,402

receiving-offices, and a capital of 2,889 millions of marks, a sum which, if we include reserve and subsidiary funds, rises to 3,020 millions of marks. According to Evert's skilful computation, *the Savings Bank deposits in separate provinces have reached a value equal to that of the whole agricultural landed property of the province!*

Of course, a part of this gigantic increase of Savings Bank wealth probably represents only a new method of massing and bestowing such wealth, as was formerly laid out by the owner himself in country or town, or else directly lent out by him. But even this element of profit-bearing property has not ceased to exist and it belongs to small or moderate holders, who by the medium of the Savings Banks gain a share in commercial income, house and land income, and taxation, and are, therefore, saved from absorption by large Capitals. Out of 20·8 million marks in the Savings Bank at Dortmund in 1888 to 1889, a round nine million of deposits represented the savings of 1,313 master-craftsmen, and 1,431 farmers, while of the remaining eleven millions, two millions were deposited by miners and smelters, 0·417 millions by journeymen and shop-

assistants, 0·287 millions by factory-workers, and seven millions by various depositors. Hence there can be no doubt that it is the moderately well-off and poorer classes, including the wage-labourers, who most largely make use of the Savings Banks, and that in spite of the "iron law of wages" and the "Vampire Capital," they continue to do so in an increasing measure. "We consider," says Evert, "that the number of current Savings Bank Books, which in Prussia, at present, is more than five millions, and which, therefore, exceeds by nearly seven times the whole number of income-tax-payers, that is, the number of persons whose income is valued at more than 3,000 marks, with all their dependents, justifies with an absolute certainty the conclusion that the larger portion of these books belong to the 'smaller people'; for otherwise, each member of the wealthy classes, including women and children, would find himself in possession of several Savings Bank Books. Also, the diminution so often observed in the deposits at times of slack work would seem to indicate that not only the majority of the depositors but also a large amount of the whole deposits are

from the lower classes: were it otherwise, the fluctuations of this portion of the deposits would not make such a decided mark upon the whole."

These three milliards of savings, one-and-half milliards of it having been amassed in the last 20 years—rapidly increasing in good times, growing more slowly, or even in certain classes diminishing in periods of depression—surely indicate that by this method of Savings Banks wherever there is willingness to take advantage of it a quite considerable amount of self-help, of amassing Capital, and of participation in interest, is possible, and that much balancing of bad times against good times may take place in the households of the poor. We are face to face with a fact which cannot be reconciled with the supposed universal sway and impoverishing effect of the iron law of wages. The most decided falling off of deposits as well as the increase of small credits at the expense of larger ones in times of depression affords us proof that in the Savings Bank we have a powerful medium of self-help against poverty and loss of employment as well as against incapacity to work and against trade-accidents or household misfortunes. The Savings Bank

represents an agency suited to the new time for the formation of wealth, for the better distribution of income and security among the poorer classes.

Besides these milliards amassed in the Savings Banks there was in Prussia between 1867 and 1886, especially among the middle classes, a notable increase of more than a milliard in capital-insurance against death—which in 1867 amounted to 520 million marks and in 1886, to 1,718 million marks. Nor is the continuance and increase of wealth in the free Poor Funds (1) to be despised.

To the above branches of free self-help there is being added in the course of this generation in Germany the Universal Compulsory Insurance, which secures for more than 12 millions of persons an extensive compulsory provision against all kinds of loss of capacity of work, even if it does not yet extend to cases of ordinary loss of employment.

This insurance under the supervision of the State has also a promise of great things. When

(1) "Freien Hilfskassen."

it is once established on a permanent basis it will yield a yearly income of more than 100 million marks for the support of those who need it, and though not yet constituted on thoroughly sound principles there will be a premium-reserve fund of from one to two milliards by means of which the holders of policies will obtain a share in the sources of national revenue.

And this compulsory insurance is still only in process of accomplishment. It is susceptible of great extension and further improvement, as I have already shewn in my "Incorporated Compulsory Poor-Funds" and in my article on Labour Insurance. An organic connexion may be established between the free Savings Bank system and the compulsory insurance, and the organization of the former will help to effect a saving in the administration of the latter. But here I can only generally indicate what I see in prospect, without entering further into details.

The enforcement of associated Poor Funds(1), the beginnings of which have already attained

(1) "Der gegenseitigliche Hilfskassenzwang." Trade or friendly societies, compulsory through the Insurance Laws?

such a high growth in Germany, will secure yet other advantages besides the general amassing of provision for all cases of incapacity to work. It chimes in with what is relatively true in the demands of the Communists and Mutualists. In the way of solidarity, it achieves a universal brotherly reciprocity, and unites with this a system of remuneration not *only* proportioned to the performance of work, but also as far as possible in relation to needs. Every member who has his health, who has no special misfortunes, and is still in the prime of his age, and who has not suffered from any prolonged loss of employment, gives materially of the proceeds of his labour to the sickly, the suffering, and the invalided, even, as I shall presently shew, to those of his "brothers" or comrades in production who are unfortunate enough to be out of work. *The latest development of Insurance Societies, therefore, works practically in the direction of the more reasonable demands even of Communism.*

Universal labour-insurance will also have a directly beneficial influence on the national distribution of income and property. You will remember, since you have read my

"Incorporated Compulsory benevolent Funds" how easy it would be to turn to account the covering and reserve-funds of the great insurance societies for the facilitation of emigration, for the lowering of the rate of interest for the benefit of productive labour, for laying out business-premises and dwelling-houses, gardens, orchards, and fields in such a manner as to secure and regulate their rent and hire so that tenants and farmers might live by them while paying their house rent and ground rent to the Labour Insurance Corporations, that is, directly to the proletariat. Incorporated Compulsory benevolent Funds, together with the Incorporation of Hypothecated Credit, would for ever secure both directly and indirectly, without any deed of violence or radical abolition of interest or profits, the greater part of house-rents and ground-rents to the producers, that is, to the masses of the peasants, artisans, and wage-labourers.

The same Compulsory Insurance will also work directly for the raising of wages, and for elevating the standard of life, especially when taken in conjunction with other measures for the benefit of the labouring classes. But upon this point also I will only lightly touch in passing.

A simple development of common right and administrative justice, never passing beyond the legitimate sphere of the State, has command of adequate means for generally raising the level of existence for the wage-labourers and lifting that *standard of life*, which according to the supposed iron law of wages determines the amount of the smallest wage, everywhere above the starvation level. The legislature works in this direction, when *it compels the rise of this determining standard so as to make it include the necessity of a life fit for human beings, and insured against possible accidents.* Compulsory education, too, will help to secure it by satisfying the need for cultivation. It may be further assisted by compelling the employer to go to the expense of having proper accommodation for his workers, and of making sufficient provisions for their comfort and safety: or yet again, by rendering bad dwellings impossible, by means of police inspection of buildings, and of houses, or by establishing insurance societies to undertake the proper care for the sick and needy.

The Universal Insurance Society has, in common with the freedom of combination, the

further great advantage of providing a field of honourable satisfaction for the highest ambition of those wage-labourers who are fitted for leading positions, but who have not the chance of becoming employers. It is calculated to smooth away many contradictions and avert much bitter class-enmity by bringing Capitalists and wage-labourers more and more closely into connexion with each other in the administration. It is only the benevolent Funds administered and maintained by their superiors which leaves the proletariat an unsatisfied mass without interest in the working of it, and without scope for intelligent leadership by the *élite* of the working-men. A rightly organized Insurance Society, such as I have urged in my "Incorporated Compulsory Benevolent Funds," will avoid both extremes. It would give employers and employed alike a share both in the payment and in the administration. The German Insurance system both against illness and against accidents has unfortunately not been entirely free from either error. I urge you strongly to use your influence in keeping the similar legislation which is impending in Austria free from error in this respect

You, see, dear Friend, how far-reaching may be the significance, for all the practical aims of Social Reform, of such a system of benevolent Funds, if it were gradually worked out into a full development. The reciprocity(1) of such Funds, to begin with, is one of the means of increasing the share of wage-labour in the result of production by the amount contributed to the Funds. Secondly, and I shall return to this point later in another connexion, they may be developed into a means partly of preventing trade-crises and partly of giving security against them when they are unavoidable. Thirdly, they offer to the best and most distinguished members of the wage-earning classes a share in social administration, and a highly satisfying position of leadership. They will accomplish yet more than this, for they will ultimately become the means of procuring a fairly general distribution of property, both collective and private, among the proletariat.

The State co-operates with them, but only by enforcing the actual carrying out of the plan

(1) *i.e.*, between employers and employed?

universally, as is necessary to ensure its success, and by watching over and guaranteeing the soundness of the administration.

The measures of positive industrial policy we have now considered, have already established the possibility of affording sufficient help not only against incapacity to work but also against loss of employment. The Savings Bank system has taught us this. But we have still to prove that the system of Poor Funds may contribute on the one hand to avert loss of employment by organized arbitration and labour registration, and on the other to provide assistance for cases of unavoidable loss of employment. Here we ought to mention the fact that even in the capitalistic sphere the process of averting fluctuations of trade is already being strongly carried forward.

Are there sufficient means for enabling the labouring classes to protect themselves not only from incapacitation but also from the suffering caused by loss of employment? Most certainly there are. The free and compulsory Benevolent Funds, in union with the Savings Banks, whose deposits are already counted by milliards, may accomplish quite extraordinary results.

In connexion either with them, or with workmen's and employers' committees, or with specially constituted Courts of Arbitration, we may ultimately expect the result of the avoidance of strikes and of the loss of employment caused thereby: while the same Societies or special officials of the Politico-Social administration of industry may introduce a system of labour-bureaus, and a system of travel and shelter for workmen to meet the new needs of the time, as I have already indicated in my "Incorporated Compulsory Poor Funds." Especially will sufficient assistance be afforded to those out of work in times of bad trade, if the help afforded by insurance be extended to loss of employment as well as to illness or accident. This is no chimera, but a possibility that has already been largely realized, since for several decades in England insurance against trade-crises has been practically tested. (1) The possibility of the universal

(1) Seven English Societies, with 1,542 branches and 131,130 members, came out most strongly in the critical period 1876-1880 as Insurance Societies against trade crises. They gave during that time assistance amounting to £807,409 to out-of-works, as compared with £586,000 for sickness, death, or old age, and only £158,361 for workmen on strike.

extension of insurance against trade-crises, I have demonstrated, down to every detail of organization, in the second edition of my "Incorporated Compulsory Poor Funds." I have shown how it could be connected with the system of a premium on savings for those trades and those labourers who most avoid coming upon the funds through trade-crises, and how by this means a general reserve-capital and source of income could be raised for the proletariat.

Even to insurance against crises, the employer ("Capital") should make a material contribution, though of course I do not wish to see this introduced at one fell swoop. And their rate should be higher as they change their workmen more quickly, so that they themselves should have a distinct interest in the steady continuity of production, and hence in the prevention of crises. If all employers of the same stamp without exception, including even the directors of the above-mentioned household industries, had to bear the burden of a stoppage of trade for a definite time, and if, in so doing, they were charged with entrance and dismissal money for the men who change, they would all

begin to work in the direction of a steady continuance of production, and then they will find in the Insurance Societies the basis of the necessary agreements and the material levying of contributions. The wage-labourers, on their side, will willingly undertake specially paid overtimes of labour under extraordinary stress of business, for the sake of maintaining the equilibrium of production.

One extremely significant sign of the times, which cannot too much engage the attention of a positive social policy, is the increasing development of *Cartels* and *Trusts*, that is, the absorption of single concerns into unions of large undertakings, especially Joint Stock Companies. Whole branches of production are by this means falling under one uniform system of management. There are two sides to this movement—the crippling of competition in the capitalistic industrial system by the formation of gigantic trade-monopolies, upon which I have already touched, and the maintenance of a steadier march of production. It is only this second side which concerns us here. The fact is undoubted that employers have striven for and have created Cartels and Trusts mainly

with a view to preventing stoppages of trade. We know now that there is no such thing as a radical remedy for stoppages of trade: if the crisis for Europe comes from Africa, Australia, America, and Asia, how could a single Popular State possibly avert trade-crises at one blow all over the world, including the wheat-fields of the Deccan, Russia, and the great wheat-prairies of the Ohio and Mississippi? But there are nevertheless means which may be employed to lessen the evil, and the Cartel-movement will probably help to pave the way for them. With the increased development of Cartels, industry will more readily adapt itself to a system of insurance against crises. This insurance, if universally applied, would give the various enterprises a direct interest in the steady course of production and the avoidance of trade crises: while the associations into large unions of all the different concerns in the same branch of production, by making it possible to keep a better oversight over them all, would afford the means of adopting methods of management calculated to exclude the possibility of crises. The uniform associating together of all who

have a share in production, in unions of a quite different character from those of the Middle Ages, is not only possible but in part already existing, and is fraught with great possibilities of good. But it cannot be done by way of Social *Democratic* Collective Production.

In the preceding paragraphs, which deal with the duty of the State to watch over the income and conditions of the labourer, I have mainly had in view the workers in factories, leaving out of consideration for the moment domestic service, and the workers in home-industries. But Social Policy can exert a very positive protective influence over them also.

The insurance against sickness, old age, and incapacitation may prove serviceable again to this branch of wage-labour, and is so in fact already to a great extent.

If insurance against old age and incapacitation had been as fully developed as it might be, if within the insurance-unions groups had been formed of those belonging to each special calling, with one special branch for domestic service, greater results would have been reached, and each domestic servant rendered secure of

maintenance when out of work. As it is, the lion's share of payment made by masters is lost to their servants, and goes merely to lighten the burden of labour-insurance for factory-owners and large land-holders. It is to be hoped that before long the right method will be found for arranging all this.

But many labourers in the home-industries are worse off than either factory-hands or domestic servants. But as with labour-protection, so also labour-insurance is rapidly extending in this direction: I need only touch upon this point in passing. Further assistance can, however, be given.

Protection must be afforded to the people engaged in home industries against the exactions of the agents of Capital. Only it must not be thought that Capital itself is their foe. Without it, all occupations would cease altogether: and often enough the Capitalist is the losing party. The main causes of their misery lie elsewhere. The root of it is in their peculiar stupid clinging to their native soil, and to their old handed-down customs of trade, however worn out and inconvenient. One of the chief weapons with which it is to be

combated, on the other hand, as I have shewn in the "Incorporation of Hypothecated Credit," is to be found in an entire remodelling of the traffic in landed property, which would militate against the endless splitting-up of holdings, the mortgaging of the fragments, the periodical recurrence of times of slack employment, and the lowering of the agricultural labour-wage. I do not mean to imply that there are not other means which can be employed. There are many such. In connexion with agrarian reforms, which obviate beforehand the possibility of the formation of such a proletariat in the future, there would be justification for giving positive support to emigration, in the case of those communities in which the condition of household industries and of the wage-earning population was worst. There should also be a gradual enforcement of compulsory insurance, which would either oblige the employer to pay higher wages, or else force the wage-labourer to quit his thankless native soil. The introduction of insurance against crises, while encumbering the employer, would at the same time render it possible to exact from him more permanent employment. Most important also

is the introduction of technical instruction in the popular schools, of which I shall speak again later on. The more the rising generation learns of skill in handicraft and delight in work, the sooner will come the disappearance of stupidity, of a foolish clinging to the soil, and the other moral hindrances to the free circulation of labour. The better the people grow the sooner will come the factory system and better pay, the "middleman" will disappear, and with him exploitation on both sides. To develop the study of the industrial arts is not of course a universal remedy for all ills. But the art of cultivating the soil will of course progress with more rapid strides, the more prominence is given to technical education in schools, and the more central and provincial practical workshops for industrial training are set on foot by employers, and by the State or the Municipality. That portion of the population now so badly off, which—improved by such means—should still in the future follow their occupations at home, should undoubtedly be made subject to compulsory insurance, and in the districts where they lived, the stringency of house-to-house police inspection should

gradually be increased. The wholesale transmission of raw material should also be facilitated, the transmission of the best samples, common arrangements for transport and dispatch, the acquisition of their own means of production by the help of popular loan-societies and savings banks. It is evident that much help may be given on such lines as these, but no attempt should ever be made on any lines harking back to forms of labour, which have already been proved incapable of holding their own against competition. Only such can be tolerated as will render the labourer more productive, give him more command over commodities, and ensure him practical independence.

It is possible, perhaps probable, that the science of electricity will in the near future be productive of great benefit, both for the workers in home industries, and for the petty artisans. If it should become possible to bring not only the water-supply and the heat-supply, but also mechanical motive-power in small quantities into every apartment at a trifling cost, the ground would be cleared for an entirely new era, both in the smaller arts and crafts and in the household industries. And

this would have been accomplished by means of collective or state communal agencies for the generation and transmission of force! It is only reasonable to suppose that a general improvement in the condition of workmen's dwellings would inevitably result. But I will say no more: I might be suspected of falling into the strain of the "music of the future."

One thing, however, I must say in passing. Even in the house-industries general self-help is possible, resulting in free success and prosperity: and—if I may revert once more to the maximum labour-day—due time for rest may be secured for the labourers. This is proved by the experience of the flourishing embroidery home-industry in East Switzerland and in Vorarlberg. The central union of the Home-Embroidery of East Switzerland sends representatives into the most distant valleys to enforce the protection of labour and to safeguard the interests of a sound and healthy home-industry. In one of its Reports we are told that it has a special method of calculating stitches so as to obtain a basis for the computation of wages: that it regulates the relations of the "Fergger" or system of contracts between those who order and those

who work: that it procures markets for embroidery may be refused which by the employers on account of defects in the work; while the classification of patterns, that is, the graduation of wages according to the various degrees of difficulty and elaboration of design has been for a long time the constant duty of the Union.

So much for the directly industrial duties of Politico-Social administration towards industrial labour of both kinds, propertied and non-propertied. Do they, any of them, amount to an attack on private property? On the contrary they point to its development and stronger growth!

I have already drawn attention to the fact that in Association lies the means of universalizing the tenure of income-yielding property, as well as of securing a sufficiency of wages and of insurance money to provide the means of subsistence both in and out of employment. But this is a very essential point in our problem. Universalization of income-yielding private property is the exact reverse of the entire abolition of all private property, for which Social Democracy calls. Of course the

accumulation of property by such Associations is not the only method of restoring even to the proletariat some share in the rights of ownership: I shall therefore do well to treat this point a little more in general.

The proletariat demands, and can obtain, a share in possession as well as in education. The universalization, not the abolition, of private property in the means of production and in the sources of income, is our aim. Happily, it is an aim which can be attained, and which is even now in process of attainment. All cannot be Millionaires or large Capitalists, nor are so many such wanted. But all can have and *can retain* sufficient means to support his family and his own person, while hundreds of thousands can have sufficient to carry on small independent concerns of their own.

I say "retain" advisedly, running counter to the Socialists. In the first place, through that very right of inheritance which the Social Democrats wish to abolish. A right of inheritance regulated in the interests of productive labour will ensure to the mass of the people enduring possession of some of the means of production, upon which as basis rests, both for

the possessor and for the members of his family, the security of an income exceeding the limits of bare subsistence. It maintains this possession continuously, without withdrawing the ground from the hands most suited to manage it. So much possession for so many would be entirely impossible without the right of inheritance. To transmit this private property into collective property would be to perpetrate the most gigantic act of "disinheritance" that was ever in history practised on the labouring-folk, solely on account of the jealous envy of a small fraction of the industrial proletariat. Confiscation by progressive taxation of inherited property would be a no less mistaken policy. Nor is there any need for the equality of inheritance in the face of complete inequality of position and natural endowments.

If the right of inheritance is preserved intact, it will be possible also to secure possession of some means of production, even to those of the proletariat who are now entirely without property, and with this a share in the revenue from sources of income, and in that portion of the national product-value which is devoted to interest, house-hire, agricultural rent,

and ground-rent. In the interest on Savings Bank Moneys, the saving portion of the proletariat has already a share in the sources of income. There is no reason against, and in fact every reason in favour of all young people's saving a certain minimum—especially as a protection against the misuse of the freedom to marry. If the Insurance Societies which are now being so largely introduced are organized on the right basis, if they really form the reimbursements and reserve funds which are so much to be desired, if they and the Savings Banks invest all capital, which need not be immediately realisable, in houses and lands for the benefit of the smaller folks, and so acquire a portion of the real-estate of the nation (by collective, but not by Social Democratic methods), if these corporations can also be allotted shares in the dividends of Joint Stock Companies, if to the general insurance of labour could be added the system I have above recommended of the savings-premium, according to the pattern set by the English local benevolent-funds—provided all this were carried out, even the existing proletariat would attain partly means at their own independent disposal,

and partly associated means for security against misfortune, and therewith a universal share in the sources of income, so far as the need for such exists.

I have already shown that a positive social policy would ensure to the peasant the greatest possible share in ground-rents for him and his.(1) Productive labourers of every grade would thus become proprietors. The two great factors in production, private capital, and private real property, would assuredly not be eliminated from the problem of wealth distribution, but rather, all producers would have gained a share in the result of their common produce: and this, let it be noted, without the necessity or even the possibility of these universalized rent-sources being made the occasion of exploitation.

It would be necessary to attempt, both by direct and by indirect means, the lowering of rates of interest, rent, and hire, and the attempt would assuredly succeed. The measures to be adopted have been already indicated: the

(1) Cp. above p. 276., and also my treatise on "The Incorporation of Hypothecated Credit."

formation of large masses of corporate wealth, partly for lending purposes and partly for laying out in real-estate (I mean the milliards of the Savings Bank and of compulsory insurance), the legislative prohibition of all perpetual burdens of rent and interest by universal compulsory redemption, the avoidance, as far as possible, and the utmost efforts for reduction, of national indebtedness, the corporate organization of hypothecated credit, the holding of adequate ready reserves, which would prevent State loans from being raised at usurious rates in great crises, and the resulting bondage of the people in taxation. The regular supply of Capital would be so powerfully increased, the demand for it so lessened, exorbitant rates of interest, rent and hire, so brought down, that a lower general rate would be steadily secured and exploitation almost entirely prevented. This would be supplemented by a law affecting Joint Stock Companies and Exchanges which would prevent speculative appropriations of rent and Capital. The visitation with severe personal penalties of usury and adulteration, a new and more effectual supervision kept over the necessaries of life, the abolition of the trade in money-

lending, (1) the whole business of industrial inspection and other like matters—all these matters would have to be arranged. These regulations, taken altogether, would almost entirely extirpate exploitation by loan as well as in trade. At the same time, the level of incomes would be kept up to the point which is necessary to cover both the suitable remuneration for socially useful achievements, and also the due, nay, the indispensable means of subsistence for such persons and institutions as absolutely require other means of income than that afforded by labour, such as widows and minors, members of the Benevolent Fund Societies, insufficiently paid officials, talents freely devoted to art or to science, leading politicians and so on. The landed aristocracy, as well as the aristocracy of wealth, would still draw ground-rents and money-rents from their property, but no rack-rents, only such as seem fully and entirely requisite for securing the social value of an aristocracy, for the preservation of authority in civil life, for supplying

(1) "Ratensgeschäftbetriebes."

officers for a dependable army, for the guidance and development of Social production, for the cultivation of art and high breeding. There would, evidently, thus be no more ground for jealousy among the intelligent members of the proletariat, of the remaining millionaires, even though there should be a few fortunate upstarts among them who could drink an unconscionable quantity of champagne!

Thus the universalization of private property, and even of non-exploiting capital yielding rent and interest, is actually possible. The Social Democratic ideal, to which we are supposed to be tending, is of a condition of society in which all should possess everything in common, and no one anything for himself. Nothing certainly can be so obnoxious to the Social Democrats, therefore, as the danger of our previously falling into a condition in which all would have something, and each proportionately much to lose. This is why they are already so much opposed to Savings Banks; and even universal labour-insurance has not hitherto found favour with them, although if it were established, the Savings Bank pence could no longer be called compulsory

contributions out of wages. And naturally enough: for collective property would make no man happy, while small properties, won and worked for, inherited and inheritable, bring as much relative satisfaction and subjective security for the future, as does the million for the millionaire, nay more, for he is not by any means the happiest of men, as is known for a fact of many of our millionaires. Collectivisim would make each dependent upon all for everything: the possession of some private property mitigates the labourer's dependence even upon his industrial chief.

Honoured Friend, I beg your attention to a fact which is unfortunately almost universally misapprehended, viz., that a positive industrial policy has at its command large methods of administrative assistance outside the sphere of free popular industry. I will take first those which affect the social processes of production and distribution.

First, in the domain of taxation.

I am, as you know, the most resolute adherent of the policy of retaining a nucleus of direct polititcal and municipal taxation. Also I do not wish the taxation policy to be

confused with the social policy of the Government. But this does not prevent me from remarking that a policy conceived directly in the financial interests of tax-gathering bodies, dealing with indirect taxation, with articles of consumption, and with official fees, would remove serious inequalities in the distribution of private means, and greatly better the relation of wages, profits, and rents. In this direction (you know my "Principles of Taxation") there is yet very much to be done. Indirect taxation should strike mainly at that less indispensable form of enjoyment by indulging in which everyone according to his kind and measure makes actual confession of his ability to bear the weight of taxes: existing indirect taxation, instead of doing this, attacks forms of consumption and trade, which afford no special indication of the individual's suitability for taxation, while it leaves others unburdened who, it is quite evident, are eminently capable of paying taxes. Besides the taxation on the inheritance of large means, which I would not furthur tax progressively, I must here mention the taxation of articles of luxury of all kinds.

In this I include, in spite of the counter-assertion of Social Democracy, the use of tobacco and the consumption of liquor in those extravagant proportions which they have actually attained. That the poor man pays proportionately more in taxes on tobacco and liquors is no objection, so long as the rich pays proportionately more in other kinds of taxation both direct and indirect. I care nothing for all the wearisome twaddle concerning double and treble taxation. The only real point to be considered is the whole amount contributed by each in the form of taxation.

The taxation of dwelling-houses could also very well be scientifically constituted so that it should strike most heavily at those incomes which best bear taxing.

We still leave entirely untaxed that boundless luxury in dress which obtains in both sexes even down to the lower classes, also luxurious feeding, extravagant decoration and luxurious rooms. This consumption is perhaps at least as fit to be taxed as the sugar, tobacco, and liquor traffic all taken together, which in Germany are half choked up as sources of taxation. But we do not get hold of it.

Can it not be got at? Some say not, but this is a mistake. If we are determined to make traders and manufacturers into tax collectors, as has been done with the sugar-industry, the charcoal-burners, the brewers and other branch-industries, then this whole enormous mass of consumption can be reached by taxation, by means of *ad valorem* factory or sale-stamps, the duty of registering on the taxation-returns being imposed on the sellers all taxed objects of luxury and commodities of a luxurious description.

I am of course not desirous of seeing this source of taxation set flowing either to-day or to-morrow. Its proper time will come when the political necessity for it arises, and when the commodities of luxury are completely concentrated in huge stores. Undertaken at the right moment, it would have the result of relieving the more necessary kinds of consumption, of lightening direct taxation as well as oppressive money-dues, and distributing the burden of taxation fairly in reference to the proletariat, the peasantry, artisans, small rent-holders, and petty officials.

Nevertheless, from a politico-social point of

view, the main task of taxation-reform lies in the region of *direct* taxation: I mean in the general readjustment and more perfect application of the *Universal Income-Tax*. You are well aware of the advantages of this tax in securing a uniformly fair and generally bearable incidence of the burden of taxation, according to the actual means of each person at the given time. But there are two other advantages in it of no less importance, which, nevertheless, may have hitherto escaped your notice: I mean its regulating influence reacting upon the whole system of taxation and finance, and tending to its highest and most perfect development; and again its influence in furthering social and political peace and good-feeling between class and class. In both these respects it is of quite incalculable value, and deserves consideration for the purposes of this correspondence.

The General Income Tax has these financial characteristics of the highest value: it yields abundantly, it is highly mobile, and its product is capable of immense development. But only under two conditions does it display these characteristics. It must spare as much as

possible the smallest and weakest taxable incomes, and it must not over-burden even the largest. Upon this rests also the invaluable influence for good which it directly exerts upon the whole system of taxation and finance; it redeems all and every resource, including the most powerful, and sets the largest interests in motion to effect compensation for the harsh incidence of taxation of consumption, to bring the more tolerable portion of the latter, as well as the taxation of trade and inheritance, to their highest level of productiveness, to preserve the profitable property of the State, to avoid as far as possible irredeemable debts, and finally to oppose all unnecessary and premature undertakings. It is now in fact to the interest also of the Minister of Finance to spare as much as possible those small incomes upon which the taxation of articles of consumption falls with unduly heavy weight, for it is only by altogether passing over the smallest incomes and taxing very lightly the next above them that he can secure for the general income-tax that mobility which is so necessary to him. In order for the same reason to keep the rate of income-tax within tolerable limits, it is to the interest of the great masses of tax-payers,

as well as the administrators of finance, to secure for commercial taxation, and for the taxation of inheritance, as much development as these can conveniently attain. But there is also an irresistible impulse to obtain the greatest possible result from the admissible taxes on articles of consumption. And finally, it is to the general interest of all to prevent an increasing load of debt, and to avoid unnecessary undertakings at all times. All these influences are excited and maintained in activity by a general Income Tax, in the minds both of tax-payers and administrators. The slightest movement of the Income Tax, whether upwards or downwards, sets political forces at work in the endeavour to effect an all-round improvement in the system of taxation and finance, and these principally at the instigation of the fairly well-to-do classes, with the support, however, of all non-propertied voters. As the whole system of taxation advances into fuller development, the three great public departments of finance (1)

(1) i.e., in the Austro-Hungarian Empire.

become financially more efficient and can always retain a firm hold over their especail sources of taxation: to the Kaiser will go his dues—the great taxes on consumption and on the traffic in real-estate— to the King his dues —namely, the direct taxes and the universal taxation of inheritance, and finally to the local authorities their dues, which are the remnants of the old taxation of raw products, the surplus of the moveable direct taxation, taxes on special articles of local consumption, and a share in the burdens imposed on the traffic in real-estate. No less clear is the second main advantage which the general Income Tax possesses from the point of view of social policy. I mean its invaluable effect in the furtherance of peace in state and society, and financial harmony of class-interests. This effect is self-evident, and consists in the increasing individual fairness of taxation on the one hand, and its increasing mobility and productiveness on the other, but most of all in the character of its incidence, namely, that it spares the poorer classes and lightens their burdens proportionately to their power of bearing them. In its personal application of its measure to the

actual net-income of each, the general Income Tax on its own domain excludes the opposition of class against class. The taxation of produce, on the contrary, is everywhere overladen with such contrasts between labour and property, commercial and non-commercial wealth, property in land and property in dwellings. Every class complains of too heavy burdens, and is always willing to be stirred up by social and political agitation against every other, and at the slightest rise all are in open discontent against the Government, while even when it is lowered there are always many dissatisfied. With a system of taxation which takes no account of the real personal net income—the only true measure of a justly-distributed taxation—it can hardly be otherwise. A fuller development of the general Income Tax, and less resort to taxation of produce, is therefore highly desirable from the point of view of social policy.

All the advantages above stated are matters of experience wherever the general Income Tax has been in force for any considerable time, they are no mere inventions of theory. England is the country where this experience has been

fullest: England, which can look back upon nearly a century of Income Tax returns, both central and local, or at least upon a system of taxing property and income which is very similar. There is no doubt that it is not only to the wealth of Great Britain, but also and mainly to the Income Tax system introduced under the pressure of the war with Napoleon I., and subsequently more fully developed, that we must ascribe the diminution of the English taxes on such articles of consumption as tobacco, spirits, coffee, and tea, or the further fact that all traces of the Crimean War are already effaced from the records of the national debts, and that all the commercial taxation, and the taxation of inheritance, is willingly borne by the propertied classes.

To me it seems that on the basis of the existing order of Society an entirely satisfactory system of taxation and finance may be founded, and that we may therefore hail with the liveliest satisfaction the increasing extent and improved regulation of the universal income-tax.

The workings of benevolence, and the care of the poor, stand in need of as much improvement as does the course of taxation. Benevo-

lence, both public and private, supplies yet another corrective of the industrial distribution of private incomes, working as it does with reference to needs. This noble communism, which finds the strongest support in Christianity, would, like the latter, be destroyed by Social democracy. A popular State made up of materialists would either have to let the wretched alone in their want—of course, with ideal sources of comfort they could have nothing to do—or else its vitals would be eaten out by impostors who were members of the sovereign people. It is not to abolish benevolence, but to ennoble it, to raise it, and to intensify it, that we need. The times are ripe for this work, thanks to the Christian Churches, the benevolent associations, and humane people generally. In such positive lines of action as these, the hopes of Social Democracy will once more be put to shame.

A last and most widely effectual redistribution of property in relation to needs and (as with reciprocal and benevolent associations) not of income only but of those ideal and personal advantages which contribute so much to men's happiness, takes place by means of the family

and in the relations between husbands and and wives, parents and children. Quite half the happiness of human life rests upon this. Social Democracy threatens to break up this universal and most steadfast bond of brotherhood, which lies in our very blood, and which is essential to a happy solution of this same problem of distribution. Perversity can scarcely be carried further than this. Nevertheless, I do not maintain that family life to-day is perfect, or that it will ever prove the one exception to the universal imperfection of human things. On the other hand, it is open to improvement by other means than by the introduction of a modern *Hetærism*. Children need protection from their very cradles from all that can stunt or degrade them, and from the maltreatment of unconscientious parents. Women as wage-labourers stand in peculiar need of protection. Whole masses of women are still bowed down and overladen with work which ought to be given over to machines. There is yet much to do in relieving the burdens of mothers and housewives by the institution of crèches, kindergartens, deaconess homes, hospitals and practical labour-instruction in schools. Universal insurance can be

introduced for widows and orphans. Women who do not marry stand in need of protection, and of openings for satisfactory employment in branches of labour which are fitted for the feminine nature. But a modern *Hetærism* would give us no help in all this, while by positive social reform much may be done, and is in fact in process of being done, in the directions I have named, by efforts and institutions peculiar to our time. Furthermore, it is not the women of the proletariat only who stand in need of assistance. Among the hand-workers and in small agricultural holdings there are women far more heavily laden then even in the proletariat, and in the way of providing dwellings and recreation for adults both in town and country there is even more scope for activity than in the already existing crèches and holiday-funds ror the children of the proletariat. There is no apparent reason why here at any rate gradual assistance should not be given.

In conclusion, industrial social policy has directly to do with commercial and customs policy.

First in reference to maintaining harmony between class and class; I need only mention

the universal complaints over the increasing price of necessaries since 1879. It is my opinion that we in Germany have gone too far with our agrarian protective tariff, and that we ought long ago to have dispensed with the premiums on the export of sugar. I have also shewn already that agriculture is mainly suffering not so much from foreign competition as from the wanton luxury of large land-owners and the unproductive debts of peasant-proprietors. If this diagnosis is correct, and I have been able to support it by statistics indicative of causation, it will be possible to remove these protective tariffs as soon as we have set our hand to the thorough extinction of the debts of the peasant-class.

Commercial policy, too, has it in its power to render the course of trade more steady and crises less frequent. Many years ago, when first I addressed these letters to you, I wrote these words—"The best means of avoiding loss of employment would be the establishment of a union of the whole European continent, for regulation of taxation, customs, and commerce generally."

In another generation or two it will be impossible to avoid the necessity of such a

union, for customs, taxation, and trade, if we Europeans are to hold our own against the giant-realms of Asia, America, and soon I suppose of Africa also, if we are not to lose our hegemony of civilisation, wear each other out in a war of export bounties, and find our peasants and our labourers sinking to the level of coolies, ryots, and fellaheen. Asiatic competition is the most dangerous of all, in view of the constant cheapening of transport, and will continue to be so as long as the value of money in Asia is so much higher, and hence wages and market prices so much lower than in Europe: a union such as I have suggested might even consist at the outset only of Germany and Austria. To-day there is a decided prospect of this coming to pass! The peace of Europe, which would be almost impregnably assured by a generation of industrial growth and progress on our continent, would obviate the worst and most threatening and deadly of the stoppages of trade and disturbances of the revenue, those internally caused, to the great advantage of all.

Honoured Friend!—At last we come to the third department in which some of the chief tasks of positive Social Policy lie, namely,

the grand effects of State action as exerted through reforms of law in the domain of the ideal life of the people, and thorough improvements in the conditions of its own administration and constitution.

The reform of the family I have already touched upon. Let us not forget that there is much that is rotten even in the existing family conditions. Idle and dissolute members are sucking the very life and marrow of almost every family, supported by a sentimental morality. Parents misuse their children, for begging purposes or worse, so that baseness and the starvation-level become hereditary, without any efficient attempt being made by the administration to prevent it. Even women and children were left far too long without the protection which is now being gradually afforded them by means of the labour-protection policy. The unmarried fatherhood of the gilded youth is not repressed with the needful severity in private law: it would not be necessary that the penalty in as far as it exceeded the amount needful for support, should go to the profit of the foolish mother. The labourer's wife is burdened with household labour which could be much better

performed by large wash-houses and food-supplying institutions. This, and much else must be borne in mind, when on the other hand we reject the Collectivist Individualism of Free Love. Reject it we assuredly shall and must: not five per cent. of the proletariat women would vote for the loosening of family and marriage ties, which secure to the majority of human beings the protection and care of the stronger sex in childhood, and which already effects far more than Social Democracy can even promise.

In the subject of the education of the young, I am far too much of a novice not to withstand the temptation of trotting out to you the chief hobbies of our contemporary educationists. I should run a risk of coming to grief in the process. But I may say that I have for years kept myself as closely in touch with their methods and their efforts as is necessary for the purpose of dealing with that part of the question which fringes on the industrial domain, and which ought not, therefore, to pass unnoticed in this correspondence.

If we would have a system of instruction which will make men happy, and at the same time be fruitful of good results for industry, we

must have not an equal education for all, but one suited to the individuality of each, not mere book-learning, but such as will form men's lives, not the improvement of the understanding only, but also the ennobling of the heart. The peculiar source of the misery of the masses is their slavery to habits of idle loafing, their caste-superstitions, and their clinging to their native soil. Each new generation must be set free from this, first and foremost by education, though also by the administration of the law, and by means of real freedom of movement and freedom to choose their own employment: in this way also mainly, we must hope to save the slowly sinking population of the home-industries, small handicrafts and petty holdings.

It is evident that this can only be effected by the harmonious inter-operation of many different educational measures. I will only indicate a few of them.

We have already Fröbel's Kindergarten: can it not be more universally applied? In France we see the latest code for popular schools extending the kindergarten system into a complete course of instruction in labour for

the whole time spent at school. Shall we not soon be obliged to follow suit? There is no question of setting on foot "school-manufacture" and "school-factories" which would make still more competition for those of adults. We are only speaking of its extension into a kind of practical gymnastics which would not infringe upon the work of instruction in book-learning already carried on. A general grasp of practical labour, the simplest kind of modelling and such like, might very easily be learned both by parents and children, and practised by the latter as recreation. The technical strong point of each individuality would then speedily shew itself: the love of work would spread and increase: the endeavour to rise above their traditions and to get out of a groove would become general. Bodily and spiritually they would be cultivated up to a higher level, and spiritually not only in memory and reasoning power, but also in temper and in will. Labour instruction such as has been impossible for most of them in the houses of their parents, will be secured to each child without infringement of parental rights and duties. The younger generation will become more active, they will

conquer the most irksome servitude of all, the bondage to habits of caste, of a groove, and of sticking to the soil. A glance at educational literature shews us that from this side, also, progress has begun to be made.

Girls' private boarding-schools abuse parental affection to the point of extortion, and are at the same time inaccessible to the poorer girls who stand most in need of cultivation. In public institutions for education and culture many highly cultivated women who have not married might find an assured and highly esteemed position for a life-time, and still more could be trained for positions suitable to their capacity, and appropriate to women's disposition, which are to be found in the popular system of education.

Social Democracy hopes, among other things, that in the State of the Future, everyone will be able to study. Equality requires this, they say. What the principle of equality really requires (and the welfare of the people requires it too) is only that the most distinguished childen among the proletariat should have the opportunity of rising to as high an educational level as the most distinguished children of the wealthy. Is there any means

of securing this, and would this means serve to combat Social Democracy? In point of fact, there is. The Church, the School, and the Army have long recruited the best heads from among the people to be priests, teachers, and officers, by the simple method of holding competitive examinations (in Cloister Schools, Teaching Seminaries, and Cadets' Training Schools) and thereby picking out the choicest youths to be educated at the public cost. This very policy which is pursued by the Church, the School, and the Army, needs only to be more generally developed. In all callings, but especially in technical departments, a certain number of free places should be secured to the most approved boys and young men, after the test of general competition. This would take away all grounds of dissatisfaction from poor parents, and from exceptionally gifted proletarians, set aside half-and-half education by thoroughgoing instruction, put ready for everyone the ladder by which he may rise to the highest levels of the Social order, and thus rob the army of discontent of its most capable leaders. To do all this, is actively to combat Social Democracy by fulfilling a requirement

which the principle of equality justifies us in demanding; a general university-education for the proletariat, on the other hand, is not only more than we can afford in social time and in money, it would also prove a great misfortune to "the people." It points directly to the impossibility of ruling the so-called "Social State," especially for such a nation of doctrinaires as the Germans.

The Press and popular literature have also their share in the task of Social Reform. The freedom of the Press, which we owe to Liberalism, need not be sacrificed in the effort to overcome Socialism. The abuse of the Press for the purpose of demagogy will come to a natural end without any fettering of criticism, even without Lassalle's Monopoly of Advertisement, which at any rate is not a necessity of Social Politics, as soon as the bulk of the electors are as individuals averse to revolution and have learned from the working of the new "Corporations" what reforms are possible and most to their own interest. When that time comes the mass of the electors will decline the fare which demagogy offers to set before them. The Press and popular literature will then be

compelled to subserve the cause of rational Social Reform, and will cease to attack these strongholds of popular faith which stand firm against all Materialism and on which security ultimately rests, even for the Jews.

Goodfellowship is even now not difficult for the working-classes. The "Social State" itself cannot do more than is already done (in spite of the "Iron Law of Wages") by the rapid growth of Social Clubs. Nor would it be good to do more. State-superintendence will hardly be felt to be a neccssity in this sphere, even by the proletariat. Practically the possibility of good-fellowship of the higher sort falls back once more upon the question of the proportionate distribution of income, of which point enough has already been said.

The patronage of Art generally, and of instruction in the industrial arts, has already been very definitely undertaken by the State and the Corporation. I will not, therefore, dwell on this point. If besides this there still remain private persons wealthy enough to purchase works of art, this can work only for good. An organised Capitalism favours Art. There is no need for the State to remain deaf to Art

because of it. The commodities used by the masses have gained infinitely in beauty of late.

Science on her side must contribute her quota to the task of averting Social Revolution, by counteracting erroneous teaching and working out ideas of reform. Nor will she fail to do so.

Not less important is the prohibitive influence of morals and the religious life of the Church.

To elevate not only learning but morals also, must be the task of the Educational forces of Society. Education may to a large extent check the vicious moral outgrowths peculiar to the extremes of free-individualism (Liberalism, or Capitalism), such as excessive avarice and overweening ambition: it may also heighten the sense of duty in both sections of society, the labourers and their employers. The substitution on the other hand of public for private organization of industry would not in any way provide for the extirpation of the vices peculiar to the extreme of levelling Individualism. Capitalistic avarice of course would be no more, since there would be no longer any Capitalists. Avaricious exploitation of picked labour by the mass of common labourers would however, as I have shown, be as possible as it is

probable. To this would be added the special vice to which extreme Individualism is prone, jealousy of their betters among the common folk. Public life—and what part of life would not then be public?—would take in jealousy, misrepresentation, popular flattery, at every pore. These vices would become dominant in a manner and degree never hitherto known. From the point of view of morals therefore, the Collectivist Popular State is not in any way calculated to be superior as a social system to that of private production. The only thing which would be its superior is the State with a positive Social Policy.

May the Church long continue to be a strong support and protection! Catholicism is not justified in fathering Social Democracy on to Protestantism. The Protestant is neither Deist or Atheist. The Orsni bomb, the Nihilists' dynamite, Voltairianism and the first Revolution, did not arise in Protestant Germany, but in Italy, Russia, Ireland, France. The prospects of both the great Churches are far better now than in the time before the outbreak of the Social Democratic Spirit. The educated of all Communions of every station and country

must share the blame of the thought, speech, and writing whose latest fruits are Optimism, Atheism, Naturalism. The spirit which gave birth to the Social Revolution seems however to have lost much ground in the upper classes. The arrogance of the worthless Metaphysics of Materialism which is not even a match for Theism, still less capable of overthrowing it, has probably been cast overboard once and for all. Both the Churches have perhaps a more potent staff of clergy than they ever had before, and in the German Kingdom they are the most potent of all. The prospects of Social Democracy are therefore bad, in the task of emptying the contents of popular faith. Both Churches and States have a common interest in the positive overthrow of Social Democracy, and this will give a powerful impulse towards peace both between the Churches, and between the Protestant State and the Catholic Church.

Social Reform is "Practical Christianity" for all. For the Church the latter does not of course consist in dealing with economic questions, but in the full realization and enforcement of the command to love one's neighbour as one's self. This results in respect

for all labour, both of management and of service, and in those minor forms of distribution which act as fundamental corrections and supplements to the Capitalistic process of division, the cultivation of reciprocity and benevolence. Here the Christian Church enters directly into the play of national industry as an agent of conciliation, while in its spiritual gifts it offers compensation for inequalities of material fortune. So great is the work of the larger Christian Churches in these directions, that it alone would be sufficient to destroy the prospects of the Social revolution.

The chief contrast between the great Christian Churches lies less in doctrine than in the arrangement of their hierarchy. The breach at this point cannot be bridged over, but it does not cut so deep as their common interest against an Atheistic Social revolution. Outside the ranks of the peasantry and the peasant section of the Army, the Church, though outwardly divided, stands as a further impregnable rampart of the existing Social order.

I do not under-estimate the dangers of an overgrowth of political parties by ecclesiastical.

This is in my opinion the darkest cloud in the political horizon of the German Empire, darker ever perhaps than the whole of Social Democracy itself. Nevertheless, I do not see that the prospect is entirely dark. You wrote to me many years since to know if it were true, as was being said in Vienna, that in two generations Germany would be once more Catholic. I begged you to wait till the Luther Celebration took place. This brought no ambiguous answer. Germany is and will remain Protestant, as regards the majority of its inhabitants. Protestantism with its triumphs of religious and scientific free thought is as little likely to be destroyed as Catholicism. The institutional polarisation of Christianity in the two great Churches has, moreover, some advantages. The Protestant Church without the Catholic would easily degenerate into subjectivism, unbelief, Cesarism, while the Catholic Church without Protestantism would probably sicken with the maladies of over-strained authority, popular superstition and the international domination of the Papal Chair. Every Protestant may admire the world-wide social structure of the Catholic Church—an

incomparable blending of monarchical, aristocratic, and democratic elements in social architecture—but he must never be expected to adopt once more the Catholic Hierarchy. Nor need the Catholic Church be expected to become Chauvinistic. If my insight is correct, then in spite of the split between the Churches the national unity of Germany will be maintained in all its essentials, and all one-sided degeneration be avoided in both Churches. Germany will weather the very serious dangers of the considerable overgrowth of political by ecclesiastical parties. The exceptional laws against Catholics might fall through, without the anti-German frenzy being let loose in the Catholic portions of the Empire. (This has in fact happened since these words were written).

Exceptional laws, especially those dealing with death-bed sacrament, must of course be given up. They are ineffectual, the appropriate rallying points of the "Centre." Their damaging effect on the State makes the question of whether they are necessary and right wholly superfluous to a Statesman. The Non-Catholic majority and freedom of belief effectually secure the German Empire from subjection to

the Infallible Pope in matters temporal. Protestantism will preserve the national spirit of Germany quite enough for it never again to allow its emperor to pass "beyond the mountain," while Catholicism on the other hand will render impossible the absorption of Catholic countries into Germany, wherein lies the pledge that Austria may securely and without danger to itself go hand-in-hand with Germany. A German Empire which should restore a Catholic majority in Germany by means of conquests in Austria, would be simply impossible to govern. It happens very fortunately that in Germany the majority are Protestants, in Austria Catholics. Peace and confidence between the two empires is thus guaranteed against all the temptations presented by the lust of conquest. In this very confidence lies much of the strength of these monarchies in resisting the Social Revolution.

The security that the Christian Churches will not sink back into the literal belief of the masses, that their metaphysics will remain symbolically in harmony with all the sure facts of experience, has to their great benefit been for ever guaranteed by the freedom of investi-

gation and belief won by the critical epoch. Criticism, nay, even the freedom of unbelief, is a pledge that the Churches will constantly return to the deeper and truer conception against which even Atheists can have nothing to say. There are Religions which have endured longer than Christianity, but none which have been so tenacious and so powerful through such immensely stirring historical scenes as those of the West since the Emperor Augustus, and through the flux of worldly powers and philosophical opinions, as to be able to conquer a world like the Roman World, to satisfy in the Middle Ages the religious needs of the most advanced nations, to live through three hundred years of criticism, and still to day to keep the majority of the nations bound to the holiest which is within their reach. It is very evident that Social Democracy has no chance of blasting this Rock with dynamite. The Churches may be to the Atheists a horror, a hydra whose destruction is devoutly to be wished. As a man of the people and a political seer, the Social Democrat cannot conceal from himself the fact that the Christian Church means for the people Equality before

God, and that if the Commune were to cut off the head thereof in the principal towns, the Church would grow a new head and new limbs among the people.

After Social Democracy has *ex Cathedra* avowed Atheism to be its religion, its opponents are not to blame for weighing the strength of Christian Theism against Social Democratic Atheism as I have just been forced to do. The object was not to tender a personal confession: we do not play Faust and Gretchen in public. The object was to attempt to measure the prospects of Social Democracy, and the probable power of Christianity as opposed to it, without any pretence of piety or any hypocritical cant. It was not intended either to disparage exact science. Nothing that this can prove to be an actual fact of experience must be contradicted by the teaching of faith. It was not intended to attempt to justify the literal interpretations which have been put upon certain facts and Bible-texts. Christian Metaphysics cannot be accepted, nor can its reading of the Bible be the true one if any established facts of experience stand in actual contradiction to it; only the

contradiction must be proved if it is to compel the purification of Christian Metaphysics. True faith can never permanently contradict true science. Faith is in no insoluble contradiction with itself, so far as I can judge in this matter from the studies which, as you know, I have pursued during the last few years in Christian Apologetics. Therefore I do not believe in the destruction of Faith by Science, or of the old beliefs by modern unbelief or superstition. Its alliance with Atheism gives Social Democracy no power over the future.

I come now, honoured Friend, to my last point, which is a very important one, namely, what must take place in the State itself in order to assure the success of a positive Social Policy.

The idea which will probably suggest itself first in reference to this is of *forcible measures directly calculated to crush any outbreak of social revolution.* I think that the State has to keep its powder dry in reference to this. This, however, is not the essence of what the State is called upon to do in reference to the prevention of such outbreaks.

Six years ago, when I first addressed to you this series of letters, the Socialist Law was still in force. I have combated it many times.[1] Since then it has lapsed, and to-day I need say no more about it.

It is the same with increasing the stringency of common law against the subversive tactics of agitators and with special measures of military and police protection against Social Democratic skirmishings in the large towns. Nor will I speak further of the army; it will assuredly remain secure if we do our part in apportioning to the peasant-class and the artisans all that is possible and that is their due in the industrial sphere and in the ideal pleasures of popular life. I do not believe in the possibility of a speedy lightening of our military burdens, and will only here draw your attention to the fact that the United States lay out very nearly as much in military pensions, as we on our standing army. The way to that European peace which we all so earnestly desire lies not through the abolition of the

(1) See my "Methods of Combating Social Democracy without Exceptional Legislation."

army, but through industrial and other coalitions against other quarters of the globe; this indeed will soon become a matter of necessity. Peace in the quarters of the globe will follow the analogy of peace within national territories. But Europe is still far from being in a final condition of peace, at least as long as it contains millions of Social Revolutionaries.

The special changes which the necessity of a Social Policy entail upon the State have reference to the establishment of an administrative organization sufficient to perform the positive tasks of Social Policy, and the complete reconstruction of constitutional law, in the Empire, the state, and the parish, in accordance with the spirit of the time.

The Social Democracy of the German Reichstag in an Industrial Memorial put forward by it (§ § 131-143) has registered a claim for a special organism for Social administration and direction, and has even carefully formulated this claim. This manifesto merits in a high degree the attention of Positive Social Policy, for which it fulfils two important services, namely, first, *the unveiling of the whole Social Democratic plan of operations as far as*

the very threshold of the popular State, and second, *pointing the way to an organization of the Politico-Social administration*. Let us therefore carefully examine on both sides the outlines of this organization.

First, there would come into existence an Imperial Labour Bureau, so constituted as to render it the imperial centre for all provision made for labourers in the widest sense of the words. This Imperial Labour Bureau would, however, only be the executive centre. Besides this, perhaps even in its decisions superior to it, would stand the Imperial Labour Parliament, elected in equal proportions from the labour-representatives and the employer-representatives of the whole of the district Labour Chambers, whereof I shall presently speak. Its members are to receive salaries and travelling expenses. Every Labour Chamber would send one representative from each class. This Labour Parliament would meet at least once a year "to take council upon industrial interests generally."

Subsidiary to this imperial organization of the labourers would be the "Labour Boards," the "Labour Chambers" and the "Industrial

Courts of Arbitration." These would be established each for a district of 200,000 to 400,000 inhabitants.

The Labour Board, consisting of Councillor and at least two assistant officials, would act as the executive organ in each district. The Councillor would be chosen by the Imperial Labour Bureau from two candidates put up by the Labour Chamber; the remaining members by the Labour Chamber itself, half by the workmen delegates, and half by the employers. The Labour Boards would have to watch over the protection of Labour in all its branches, to collect or to summarize labour intelligence, and to present a yearly report for the approval of the Labour Chamber.

Side by side with the Labour Board there will be the Labour Court of Arbitration, to give a primary decision in disputes between the employers and their employees. It would be constituted by each Labour Chamber from among the members of the Board, and should consist always of two employers and two labourers. The Councillor or one of his fellow officials would take the chair. An equal number of representatives of both classes in

the tribunal would be necessary before a sentence could be passed. To assist the parties in their deliberations, only relatives, nominees, and professional colleagues would be admitted. Appeal from its decisions might be made to the Labour Chamber. The members of these Arbitration Courts, like those of the Labour Chambers, would receive daily pay and reimbursement of travelling expenses.

The Labour-Chambers form the key-stone of the whole structure and merit the special attention of all who wish to know how Social Democracy seeks to attain its ends. I quote the following from § § 134 to 136 of the "Novelle Auer u. G."—"To represent the interests of the employers and their employees —as well as to support and second the Labour Boards in their task, on October 1st, 1891, a Labour Chamber will come into existence for every Labour Board District, each of which according to the number of different industries represented in the district will have to consist of not less than 24 or more than 36 members. The number for each district will be determined by the Imperial Labour Bureau. The members of the Labour Chambers are to be elected by

simple majorities, half by the adult employers from among themselves and the other half by the adult workers from among themselves, on a basis of equal direct ballot-voting, and from the suffrages alike of both sexes. Each class chooses its own representatives. The members of Labour Chambers will hold their mandate for two years." The Labour Chambers, "in accordance with the functions stated in § § 106a, 110, and 121, will undertake the duty of giving the Labour Board both advice and active support alike in all questions affecting the industrial life of their district. It would be specially incumbent upon them to examine into the workings of trade and shipping contracts, tariffs, taxes, the level of wages, the price of necessaries, and the rates of hire, competitive conditions, continuation schools and industrial institutes, the collecting of models and samples, the condition of dwellings, sanitary conditions, and the rate of mortality in the labouring population. Further it will be for them to bring to the notice of the proper authorities complaints as to unfitting conditions in industrial life, and to give their opinion upon bills and measures affecting the industrial life of their district. And finally,

they have the hearing of appeals against the judgments of the Arbitration Courts." It is the duty of the Chairman to summon a meeting of the Labour Chamber at least once a month, acquainting them at the same time with the Agenda for the day: and at any other time he may be called upon to do so if not less than a third of the members of the Labour Chamber desire it. The Chambers regulate their own order of business, their sittings are public. Their members are also entitled to salaries and to the payment of their travelling expenses.

The proposal so far lacks only the lowest step, which could not, however, be dispensed with. I mean a Local Labour Board and Local Labour Chamber to work under the District Labour Board and the District Labour Chamber.

One of the leaders of Social Democracy in the German Reichstag has maintained that his party, in submitting the outlines of this organization, is holding out a hand to champions of the existing order. We have no right, therefore, to regard the scheme as a deliberately revolutionary one. But this matters

very little. The question is whether, apart from the authors of the scheme, this organization might not actually be utilized as a battering-ram against the existing Social order, and having regard to the Socialistic aims of its supporters would not necessarily be so used. Even while answering this question with an unhesitating affirmative we are making no personal reflections whatever on the present leadership of the party.

The ruling representative organs would have an all-embracing circle of influence, both in industrial and Social matters, in such matters as hygiene, and in the police-inspection of dwellings, and the executive organs, from the lowest up to the Imperial Labour Bureau, might have applied to them, with the alteration of a few paragraphs, the same regulating conditions of subjection to the majorities respectively of the National, District, and finally Local Chambers. If these representative and administrative bodies really came into existence, they would slowly but surely outstrip in power the whole existing organization, not only of the Industrial Chambers and Chambers of Commerce but of the Imperial

Chamber (Reichstag) and the Imperial Government as well as of the Communal Corporations: they would inevitably shatter in all directions the existing framework of Society. The work would proceed very rapidly with the co-operation of Social Democrats in the Reichstag, and democratic representatives in the Communes.

The organization, no doubt, is to be in the first instance one in which the two classes are represented side by side. At every stage of the official and representative structure it gives to Capital the same number of representatives as to wage labour. It would be in so far a hybrid of Capitalism and Social Democracy. But this just gives it, at the present moment, a special value for Social Democracy, in that it has the effect of entirely crippling the champions of the existing Social order. So then, when the day of fulfilment comes, that is, when all is ripe for the intended change, only a touch, so to speak, will be needed to split the Semi-Capitalistic chrysalis and to free the butterfly of the purely democratic Popular State.

This Semi-Capitalistic formation would, I say, be of the highest value for Social

Democracy in the preparatory work to which it must confine itself for the present.

First, because at bottom it practically gives an equal footing to the labouring class instead of the subordinate one on which it has hitherto stood. This is the indispensable transition stage before the practical supremacy of the labouring classes over the employers.

Thus the proposed organization would afford an opportunity not to be surpassed of effecting the transition step by step by shaking to pieces the Capitalistic order of society in all its departments. The struggle with Capital would have legislative sanction and legislative organization, it would even be carried on by command of the legislature. The legal battle-field would extend over the whole range of industrial manufacture, trade and commerce.

Add to this that the organization would be specially fitted to as good as cripple any just resistance on the part of capital, and even any entirely impartial working of the local, provincial, and imperial administration. The apparent equality of influence allowed to both classes would result in this; that the class with the most unscrupulous representatives, and with

the least interest in the orderliness of labour, would be able at any moment and on any point to bring everything to a standstill in the industrial life of the nation. For the Labour Councillor would be dependent on the Labour Chamber, which in its turn would be entirely dependent on the Labour Leaders. By means of the clause determining that the Chairman has no vote, while equality of votes on a resolution has to count as rejection, the labour caucus in the chamber would be enabled to bar any resolution at will, and especially to bar any change in the labour regulations of their own particular trade (since the labour regulations are to be subject to the approval of this chamber).

The "duty of giving advice and active support to the Labour Boards in all questions effecting the industrial life of their district," might by means of this right be abused to induce the complete dependence of the one set of industrial inspectors, and to hamper all the rest (Labour Councillors) in the discharge of their duties, and no doubt it would soon be so used deliberately and of set purpose. *The crippling of positive social policy by the equal*

united representation of both classes would be as boundless as the agitation and convulsions of the existing industrial order down to its lowest and smallest branches.

Nor is this all, for such an organization would ensure the formal payment of the *agitation staff* of the Labour Party, for its representatives would be in receipt of daily wages and travelling expenses, and that out of the National Treasury. The meeting of assemblies and the drawing of payment might go on almost uninterruptedly: for not only would each Labour Chamber be summoned at least once a month, but at any other time it would have to meet "on the demand of not less than a third of its members," that is, of two-thirds of the Labour Caucus in the Chamber. With such unlimited consultative competency there would never be wanting some sort of pretext on which to summon the Chamber.

It is therefore clear that no better or more efficient apparatus could have been devised than this, for the "legislative" preparation of a complete social subversal, landing us directly at the threshold of the Popular State. The

attempt to pass from such a capitalist-socialist intermediary state with the industrial system of the purely popular State, would be readily undertaken and easily accomplished, alike in matters imperial provincial and local, as soon as Social Democracy had been allowed for 30 or 40 years to utilize this equal and cognate organization of both parties. A single happy revolutionary stroke in the capital of the empire or in the chief cities of several provinces at once, would result in the throwing overboard of the Capital organization altogether by the Labour Officials and Labour Representatives, and the popular State would then be ready to hand; the purely industrial Popular Parliament would follow, and the existing system of representation, which embraces all classes and secures the interests of the nation, intellectual as well as material, would be cast aside without difficulty alike in empire, province, and district. The framework of an entirely Collective Production would be ready prepared, adapted for use, built up from base to summit according to a preconceived plan. The great decisive day of the "Dictatorship of the Proletariat," which is more often spoken

of in London than in Berlin, would then be dawning!

It is possible that even the leaders themselves are not yet aware of the ultimate possibilities of their proposed organization. But even those of them who do see the whole matter clearly, it is easy to comprehend from their own standpoint. For their radical alteration of the whole of society they have thought out the best-adapted plan that it is possible to devise. The whole responsibility would fall upon the parties that make for preservation if on this line of organization they allowed Social Democracy to introduce more than the little finger that they already have in the most recent industrial Courts of Arbitration.

Yet for all this we can learn a positive as well as a negative lesson from the proposals of Social Democracy. A adequately manned, independent, and differentiated organization of the politico-social administration, interpenetrating the whole nation with a simple and uniform system, giving life to the industrial representation without dissipating the forces that make for the protection of labour or splitting up the responsibility between many different kinds of bodies—this is its fundamental idea, and it is

a good one in itself, however inadmissible the form in which it has been presented in this proposal must appear. Only the requisite organization by trades within the territorial representative body and the elementary local organization is missing even in the proposal *Auer u. G.* Let us pursue the idea therefore in its soundest and most practicable form of development. To do this we must distinguish between the executive and the administrative organs.

Taking first the executive organs we find that hitherto, both in Germany and elsewhere, industrial inspection has been carried on with a very inadequate staff of officials both superior and inferior. It scarcely employs at all the sub-inspectors taken from the labouring class itself of whom there are several in England. It sadly fails of that uniform extension over the entire Empire which is needed to make it really effective, and does not provide for the regular meeting of the local inspectorates of each province as well as of the provincial inspectorates of the whole empire, with a central office for the concerns of labour including the working of labour-protection—all

of which of course must be effected without damaging the administrative independence demanded by the imperial constitution of the allied States. If the separate inspectorates were everywhere rightly constituted, they might be called together from time to time to meet and deliberate with the local and imperial agents of labour-protection without in any degree damaging the efficiency of the latter, but rather increasing it. This is the germ of truth contained in the idea of the Imperial Labour Bureau. A local Labour Bureau would possibly also do much good work in the same direction. Moreover, we see already some beginnings of this development: England has an Inspector-General, Austria a Central Inspector, in Switzerland the Inspectors have regular conferences at stated intervals, in France they are already planning a more comprehensive organization.

The important choice of persons to fulfil the duties of the upper and lower inspectorate might devolve upon the whole united inspectorate of the county, with instructions to seek for persons of practical experience, social impartiality, and technical and hygienic

knowledge, suited to the particular requirements of the particular post.

But the mere development of the inspectorate does not by any means exhaust the sum of the requirements of progress in the organization of labour-concerns. We shall need to go further than this. The combined interests of the cheapness of service, and the simplicity, energy, and security of its arrangements, require further that we should free our regular State-officials, of all grades, imperial, provincial, and local, as much as possible from the cares and duties of labour-protection, and from all the special concerns of labour, judicial and civil, and this by a gradual development of special and comprehensively organized Labour-Boards, Imperial, Provincial, District, and Municipal. This would rid us of the evils of divided responsibility from which we now suffer, without necessarily entirely withdrawing the co-operation of the regular administration from the formal and material protection of labour. This is part of the same task which I have so often and so emphatically referred to the system of Labour-Insurance. The *Auer u. G.* proposal recognizes this idea. We may also justly

formulate, and very practically carry out, the demand that these Imperial and Local Labour-Boards should have a circle of influence, extending far beyond the mere protection of labour, and embracing in fact the whole range of its concerns. It is often made a subject of complaint that in spite of all warnings the organization of Labour-Insurance is undergoing a costly and unpractical process of dismemberment. It would, therefore, evidently be desirable to create municipal, local, and district-boards with a great central Imperial Bureau at their head, for the purposes both of Labour-Insurance and of Labour-Protection, and eventually also for the reform of dwellings, for registration and labour intelligence generally, and so on. Only great care should be taken to recognize every special branch of the work, and in constructing the entire organ, not to omit any of the necessary elements, technical, judicial, civil, hygienic, and statistical, and to form sections and sub-sections, so far as is consistent with the unity of the whole service. There will be plenty of material with which to deal, nor need we fear

any difficulty in selecting a good energetic and economically effective working staff.

No less easy to justify is the notion of a system of representation rising from the College of Seniors or Factory Committee of the single business upwards to the district, provincial, and imperial Labour Chamber. On the contrary, we should rather be inclined to tax the *Auer u. E.* proposal with incompleteness, and with lacking sufficiency of local labour-councillors and labour-chambers. Only these representative bodies must have a sphere extending far beyond the mere protection of labour—just as in Berlepsch's Amendment Bill after the pattern of Switzerland, the factory-committees have a voice in matters of labour-regulation in the factory—their sphere should embrace all the concerns of labour, the dreservations of social peace and of public morals, the termination of disputes, order in the factory, the instruction and discipline of learners, the control and the enforcing of protective legislation, the regulation of wages; in short, they should be able to mitigate the severe autocracy of the employers and their officials by the voice and assistance of the employed.

But even a desire for the most comprehensive system of labour representation need not lead us to accept the democratic parliamentary majority government of the *Auer u. G.* proposal. We have a totally different idea of the position and task of "Labour Councillors" or "Labour Chambers."

The need for the regular, not merely accidental or occasional, contact of the inspectors with both employers and employed is already practically recognized. A less "bureaucratic" system of industrial officials is demanded on all sides. The convocation, ordinary and extraordinary, of Labour Chambers, would meet this need. The inspector would thus be accessible to the wishes, proposals, and grievances of all; but he must not be forced blindly to obey the instructions and directions of such organs. The industrial inspectorate can only fulfil its office with energy and impartiality if it is and continues to be a responsible State organ independent of both classes, appointed by the Government, and endowed with all the guarantees of judicial independence in position, remuneration, and sphere of activity. But this is by no means

incompatible with its association with a representative system to advise and inform it, and to lay before it every kind of grievance. If he works under such conditions, the inspector will find himself more constantly sought after, and his office will be a more frequent scene of activity. The Labour Chambers might be given the opportunity of representing their grievances to the highest authorities.

How then should we set about the formation of such representative bodies?

In answering this question we must especially beware of confusing such public Labour-Chambers with the Voluntary Committees of Unions of both classes. For the two kinds of representative organs require quite different constitutions.

The free Unions appoint Committees to watch over class interests and the interests of particular trades, and especially for mutual agreement as to the conditions of labour. The appointments in this case may and indeed must take place in each class by the unrestrained equal suffrages of all, even the female members of each Union, without any coercion by majority of the other class, or of any section within each class.

But the requirements of the representation to deal with the State and the officials appointed to watch over the interests of labour are quite other than these. This task requires a special public legal representative system, with only a deliberative function, but with right of decision by majority within the circle of their activity.

In connection with this public representation the uniform appointment by direct choice of all individuals of both classes, and of each out of his own class, would seem to me rather to mean the crippling of both and a constant class-warfare than the tempering of the one by the other and the effective common influence of both upon the State-officials. Such a method of appointment is not necessary and may be avoided by confining direct election to the elementary representative organs, and for the rest *admitting all the existing authorities of a corporative kind to aid in the formation of the general representation.* The organs of labour-insurance, Chambers of Commerce and Trade, railway directors, delegates of parishes and of States, are here indicated: further corporative elementary formations may be subsequently added. By this means we should arrive at a

thoroughly useful and trustworthy staff for the representation of all the Labour Boards.

The same point arises in connexion with the convention or dissolution of the Industrial Courts of Arbitration. In connection with the above corporative and essentially specialized constitution of Labour Chambers, such Courts might be everywhere established, locally, and for the district, as courts both of first and second instance efficiently, cheaply, without recourse to law or dependence on communal bodies, and yet as trustworthy public organs, through the choice of the treasury authorities and the employers' organizations, or by appointment from among the *personnel* of the already existing corporate bodies. The direct election by all the individual workers and employers would thus be avoided, and with it that *Crux* of the latest Reichstag, in the question of the organization of industrial Courts of Arbitration; the distinction between youths and young girls would no longer be a sore point either in the Labour Chambers or in their supplementary Courts of Arbitration. It would therefore be no longer necessary to be constantly evading by means of official compliments to the fair sex, the question of

Female Suffrage, which from the standpoint of the individualist theory of representation seems so indispensable, but from the standpoint of public constitution-building seems a good deal less easy to justify. Our ultimate basis would no longer be the frightfully dangerous ground of the unlimited sway of universal suffrage for social representative bodies of a public kind.

There would be no need to limit in this way the passive elective right in both classes to electors belonging to that class. Electors of both classes and the selecting Corporative Bodies would alike be free to choose the men in whom they had confidence wherever they could find them. This arrangement would further contribute to allay the antagonisms which would exist even between the corporate representatives of both classes. Men would be chosen as representatives who would need no especial indemnification against dismissal.

But labour representatives chosen from the ranks of labour itself would be guaranteed compensation for wages and travelling expenses: while if this were arranged at the expense of their Union, who with its Committee Members would superintend the elections, and arranged

pro ratâ of the electors concerned, this would afford sufficient security against the temptation to endless argumentation and against the abuse of veiled payment of professional agitators.

If the upward movement of our civilization continues we shall soon I believe observe the gradual growth of a modern, hitherto unknown, system of officials and representatives, gradual but as a whole inevitable, and destined to play a wide-reaching and effective part alike in State and in Society.

We stand now face to face with the last task of positive Social Policy, namely, that of politico-constitutional reform!

The power of Social Democracy to-day is undoubtedly the result of universal suffrage. Had Prince Bismarck adopted the proposal of the Frankfort Diet of Princes, and established a Reichstag (Imperial Diet) consisting of delegates from all the German Landtage (Provincial Diets), it is probable that there would not be to-day a single representative from the labouring class sitting in the Reichstag, Not that such a result would have given us by any means a desirable or efficient Reichstag. But it is quite another question whether the

continued sway of universal suffrage will, or will not, result in the tyranny of the proletariat, or even of the sword. I feared once for a short time that it would be the former, but now I have for long been convinced that it is the latter tyranny with which we are threatened, and I therefore hold the *timely readjustment of the constitution above and beyond universal suffrage*, to be the last and highest task of positive Social Reform. Without such progress on this point all else may be in vain, and even by itself perhaps productive of evil.

The final victory of the proletariat after a continuance of an exclusive system of universal suffrage is, so to speak, a Psychologico-Social necessity: the age of Cleon follows almost inevitably upon the Periclean age. Instinctively the public mind becomes a prey to the insane idea that the right to vote is a purely individual right, without duty towards the whole: the will of the majority of individuals must be supreme over all the members and civilizing agencies of the nation, as well as over the minority, this same will being the "universal will of the people," hence infallibly good and wise—while as a matter of fact the

admission of the masses to decisions by majority is only under definite historical conditions a suitable form of Political Co-operation of all for the purpose of giving each by himself his due place as a member of the community, but also of rendering him at the same time a political influence in the undivided interest of the whole people, and of all its departments and institutions. From this fundamentally false assumption of the individualism of natural rights there arises the idea that only the will of the whole mass of individuals can suffice for the establishment of the executive, legislative, and administrative organs expressing the one universal volition, that the temporary majority under the name of the people is the only lawful sovereign, appointing and overthrowing Governments in the mass-interest of the whole, and that government by a majority through parliament represents the summit of Politico-constitutional perfection—without any such check as is afforded by the institution which guards all interests, because itself bound up by historical ties and family interests into solidarity with the nation—I mean, of course, the monarchy. From

this insane delusion and idolatry with which our age is still possessed, a hundred years after the first attempt at its civil realization on the banks of the Seine, and in spite of all the woes which France has suffered since then, it is truly but a step to complete Social Democracy. You have only to collect the proletarians and all the discontented folk, let them loose from all restraining forces, take from them all authority and all belief, make them wanton and presumptuous, and you open a great opportunity to the majority, and with the majority, sooner or later, to the use of force, and then to the employment of this force for radical revolution, and the introduction of popular collective production. For it will not be without great difficulty as long as popular representation continues to be formed on entirely democratic lines that the mass of the people will be rid of the idea that by means of Social Democracy we may realize at no very distant date what by means of a merely positive Social Policy we could not attain for many centuries to come.

The non-payment of members will not prove a permanently effectual dam, neither will the

continuance throughout Europe of property qualifications for local authorities. Even the monarchy, with all its official and military support might fall to pieces if we are to go on amusing the masses with the assurance of attaining power in Parliament and alluring the proletariat with the same prospect. (1)

Shall we return to the system of electoral qualifications? By no means. We should then only be substituting liberal for democratic Individualism, and effecting a complete retrograde step, bringing in evils of another and worse description, driving in the poison of revolution into the blood of the people. To set aside the labour-vote altogether would be to curtail freedom and equality to an undesirable extent and to deprive the State of that hold over the hearts of the meanest and poorest which is so necessary to it. If we were to abolish universal suffrage we should commit an error scarcely paralleled even by the anti-culture legislation. Universal suffrage has grown up with the growth of the German Empire. It

(1) Cp. my "Method of combating Social Democracy without Exceptional Legislation.

was the counter-move against the Diet of Princes and the Parliamentarism of the stormy period in which Bismarck and Roon defended the power of the monarchy. To abolish the suffrages of the proletariat would weaken, not strengthen, the kingly power, and give political predominance to Capital. Impartial justice to all interests, prevention of class-government, whether Capitalistic or proletarian, herein lies at once the purpose and the strength of monarchy; it can only acquit itself of this task if the conflicting interests are represented and can thus make themselves heard. Universal suffrage is at least not worse than any known system of electoral qualification. It is to my thinking more probable that these latter systems will lose ground step by step in the constitutions of our provinces and parishes, succumbing to the onslaught of democracy, than that universal suffrage will disappear from the constitution of the Imperial Diet.

On the other hand, Universal Suffrage is nevertheless in a quite special degree the constitutional expression of an extreme democratic Individualism, a world-philosophy which declares the immediate sovereignty and equality

of the individual, and regards the nation merely as the sum ef the individuals which compose it. This fundamental error, however, must in any case have been demolished even if it had not given birth to Social Democracy. The majority of all the votes does not represent the actual will of the people: it is only the accidental average of the wills of the individuals composing the majority, almost of all them surrendering their own opinion under pressure of electioneering compromises, and forced into a stream for the election day in a state of excited passion. But just because of this it is all the more necessary that makeweights should be provided and dams set up in organizing the single expression of the will and power of the nation—*i.e.*, in the constitution of the State—to break the injurious force of electoral currents and to prevent the continual undoing of what has been carefully built up by the ever-recurring change into the opposite current.

If the will of the majority were actually "the will of the people"—and as generally reasonable and good as the will of the people is represented to be by flatterers of the many-headed monarch—everything of course ought to bow to

it, and government by parliamentary majorities would be justifiable in and by itself. But there is no such "will of the people," and the "will of the majority" is only a concentrated approximation to it, the wild and varying interest of a majority of the electors which is always a minority of the whole people, and which exists only on and for the election day. It is to be regretted that the cult of the will of the people, as represented by the will of the majority, should be a superstitious idolatry. But so it is. It would be fatal to the influence of majorities and to universal suffrage also, if it had to stand and fall with this superstition.

The truth, in my opinion, lies in a different direction.

The direct universal popular suffrage of individuals must be supplemented by special selection on the part of the active popular groups and modern institutions of to-day. *The constitutional policy suited to our time is one which leads not away from universal suffrage, but beyond and above it.* Let us retain the equal recognition of all individuals in the State, but let us add to our nominees of universal suffrage, a body of representatives from the great public and

popular corporations, either as a separate Chamber, or within the same Chamber, or as a portion of both Chambers. The real root of the intellectual hold which Social Democracy has over the masses, the deepest cause of its danger, lies in this Individualism of natural rights which regards the people only as the sum of individuals with equal "inborn rights of man," and the will of the State as merely the majority decision of the masses, instead of organizing a representation of the people at once in its complex structure of quasi-communal corporations, and in the manifold departments and branches of an ever-growing civilization, —a form of Democratic Individualism in the sphere of constitutional right which for the last twenty years we have not been able to shake off. Hence it can only be combated by a positive solution, conceived entirely in the spirit of the new time, of the second side of the problem of a good popular representation; by this means only can we hope to crush revolutionary aspirations, and to secure a positive Social Policy in the attainment of actual social peace. As long as our constitutional system lags so far behind the

requirements of the new time, we could not expect other than that Political Democracy should in practice develop more and more into Social Democracy.

On what lines, then, do I justify, on the one hand, the universal representation of individuals, and on the other the necessity for a representation of the various parts of the complex organization of the people in our day? More than ever before, in the course of history, the individual, and every individual, to-day has a fullness of freedom and independence in life, and more or less sense of what is due to the individual life of others: the State is the stronger when each individual is imbued with patriotism towards the whole, sympathy for other individuals, activity and intelligence in his own just interests of life. The political life of the nation becomes lax, and loses its strongest incentive to progress if all adult males of good character as citizens have not the possibility of making their influence felt in the choice of popular representatives; without the impulse given by the mass of the people we should have in the State no positive effort on behalf of the people. But universal suffrage, however

easy to justify as the only means of individually associating the people as the sum of individuals with the State, is no less one-sided and inadequate if used as the exclusive method of organizing popular representation. The people is not only a sum of individuals; it is also a whole composed of quasi-communal members in the *territorial* outlines of its social structure, and a manifold set of institutions covering all departments of civilized life in the domain of *culture*. In this territorial structure, and in this social differentiation—in respect to both of which different individuals are in the most complex way associated and interwoven, and in the representation of which they are represented—the people must of necessity be drawn into intimate connexion with the State, in which ultimately its collective will and action is concentrated. To effect this would be our task even if there were no Social Democracy in the question, for before this arose State and people alike were threatened by its very opposite – the extreme liberal Individualism of Capital. But since Social Democracy has come to life and to such rapid growth, it has become a matter of pressing necessity for our social policy to make

positive progress in its second great task of re-moulding popular representation in accordance with the needs of the times. *The seats of the greatest wealth, of foreign commerce, of industry, of constitutional life, of the highest public offices and professional institutions for Art, Science, Education, social intercourse*—viz., half Berlin, the Hanse towns, Hanover, Frankfort, Munich, Mannheim, and others—*are to-day represented for and by the proletariat!* Does this not give us occasion to consider whether it is not necessary to supplement the mere representation of the masses with a representation of the local and social divisions of the nation, if we are not to condemn to utter extinction all that has the deepest meaning and the highest worth, and in which the lives of all individuals are most intimately concerned? No unprejudiced person, from whose eyes have fallen the scales of that unlimited Individualism of the oft-refuted "rights of nature," will feel able to answer this question in the negative. Under an exclusive system of popular representation by the votes of the masses it cannot fail to happen that the numbers of those who possess little or nothing, with

those who for some other reason are discontented, will form the majority, and that this majority will exploit the power thus attained for the special ends of those who compose it just as relentlessly as in the past the old landowners, or more recently the Capitalist minority have ever been able to do. It lies in the very constitution of man that where the individual has to make a decision, his first care is for himself, and he regards as only secondary the concerns of others and of the entire people. All previous opposing forces, the monarchy and its official hierachy, the military and so on, will not prove permanently capable of resisting it, but will themselves be in danger of gradually succumbing to generations of slowly disintegrating shocks. Not thus can this advance be checked towards exploitation of the power of the State in the special interests of the proletariat, nor can we thus succeed in banishing the revolutionary tendency. All constitutional history suggests by numerous analogies the ultimate development into mob-tyranny. The optimistic opportunist notion that universal suffrage—which I combat not in itself but in its predominance without counterpoise—will itself

remedy these evils, cannot hold water: as long as it is cherished Social Democracy will continue to thrive, and crush the revolutionary outbreak as we will, it will burst forth again. This development can only be mastered and restrained if, without detriment to the proletariat but in the many-sided interest of the whole people, the local and professional corporations, if the great public organs which already represent large interests and together include almost every section and division of the people, if all these, I say, are built up into the structure of popular representation, whether in one Chamber or in two. One of the most important tasks, therefore, of the art and science of politics in the face of existing social dangers, lies in the domain of general constitutional policy. This task cannot be accomplished all at once, nor by individual effort, nor quite satisfactorily at the first attempt, but sooner or later accomplished it must be. Let the proletariat continue to elect, even at the risk of its winning a quarter or more of the entire number of seats. But do not hand over to it the whole State, which belongs not to the numerical majority but to the whole people in its living organism!

It is true our provincial and local constitutional right seems to afford us a strong protection against sudden and complete democratization. And there is no doubt that property, from the strongholds which still remain to it in the constitution of the district and the province, will actually carry on the most vigorous defensive warfare against extreme democratization. But we cannot regard it as a normal state of things that the mass of individuals should go for everything in the Imperial Diet, but for nothing or not nearly enough in the Local and Provincial Chambers. Whether the three class system so drastically condemned by Prince Bismarck or some similar arrangement is possible, is quite another question. It is clearly to the interest of both classes to seek and find the *Positive Third*—which will not assuredly be either a mere universal majority vote, practically that of the labourers, or a mere universal property vote—andwhen it is found, to keep it deliberately in view alike for Imperial, Provincial, and Local constitutional policy. It is to be hoped and supposed that the future belongs to this third and medium course, involving neither the absolute

sway of property nor that of non-property, maintaining universal suffrage in its integrity, but at the same time moderating and fertilizing it. This might be achieved by the admission either in one or both Chambers, of the corporate elements to the representative bodies. In nothing have the latest developments of public right been so fruitful of good results as in the formation of new kinds of public corporations in matters municipal and professional. We find in Prussia and elsewhere the whole structure of the latest communal system, both in town and country, taking more and more the form of corporations. For some twenty or thirty years the Chambers of Commerce and Industry have been constituted as corporate bodies of the newest type. We see agriculture everywhere seeking to form stronger and wider unions. Before our eyes the gigantic growth of compulsory public Insurance Companies has taken in 12,000,000 of labourers. Surely from this growing tendency of public right we may conclude that while the universal vote is still and always to keep all citizens in touch with the whole of public life, yet the more destructive influence of the preponderating

mass of non-propertied voters in public life will be counteracted, and its merely progressive and vivifying influence secured by the adoption of new forms of corporative representation. That the future has this in store for us is more than probable; it is, indeed, indispensable, if our civilizatien is to be saved from wreck. It may be effected with one Chamber or with two, by placing as delegates or as senators in the representative bodies, side by side with the nominees of universal suffrage, representatives of the communal bodies (also reformed in the same spirit) in province, district, and town, and on the other of the great public professional bodies, viz., representatives of agriculture, trade and industry, of locomotion, exchange, and insurance-system, representatives of learned bodies, of the Church, the Universities, the Academies, and the free professional associations of every kind. This would not be to restore the privileged classes of the old times, to raise the ghosts of long extinct historical forms; it would be for our day bone of its bone and spirit of its spirit. Our two main requirements would then be satisfied, for we should have the representation of the masses with all the stirring

impulse which it yields, but we should also have the will of the masses moderated, and fruitful results secured for it, by the influence of men of high character and intelligence, and experts of the first order, and this from each of the two hemispheres of the organized public life of the people—from the public communal bodies or local authorities, and from the public representatives of the liberal professions. For the old order of privileges there would be no place, still less could there rise above the horizon of constitutional policy the more modern privileges of the highest tax-payers. Non-payment of members would then cease to be a necessary counterpoise, and their payment might even become the sign of politico-constitutional development. But this idea is to-day a foolishness to some and to others an offence, just as was 20 or 30 years ago the idea of Labour-insurance which I even then advocated strongly in connexion with a corporate modification of popular representation, but which was then rejected by the loudest of the State-reformers, only to be later adopted, though in a shockingly unpractical shape, as the key-stone of a positive social policy.

I have felt it to be a patriotic duty to work out this idea more definitely and more exactly now than I did when I first despatched these letters to you some years ago. If these views prevail—and I hope later to present them to you in a more accurate and more easily comprehended form—they may become specially fruitful in those countries whose constitutions are still founded on a mere representation of interests on the basis of property qualifications, and may become the means of coping with the ever-growing strength of universal suffrage and also of effecting a constitutional reconciliation between the third and fourth orders. With an Austrian statesman, therefore, this last and highest idea of positive Social reform should find a ready acceptance, and therefore it is that I specially commend it to your earnest attention.

Honoured Friend!—In order to show you as briefly as possible the many prospects of Social Reform, I have been obliged to lead you up a steep and rugged way. We are now at our goal. From the height to which we have somewhat painfully climbed, we can now draw our concluding judgment upwards from its source, while we look down upon the

seething mass of contradictory opinions below. However reserved our decision must be as to the various measures in detail, and as to the time and extent of their appropriate application, still, on the whole, as you are doubtless now convinced, we have at command a fullness of positive reforms by means of which to solve "the Social question" as each past age has solved its "Social question," and each future age will also do—*through continuous development of what already exists, through gradual and timely reforms.* The solution purely on lines of public law is entirely impossible, no less than that on lines of private law only. The universal system of pure Collective Production with distribution of the product according to Social labour-time or according to need, is for ever excluded, even in the form proposed by Rodbertus, still more in the Social Democratic form. There is no need to break our heads for the distant future in deciding how far Collective Production will ultimately take its place beside private production. For to-day, private production regulated by public law in the spirit and interests of true freedom and equality, has still an assurance of far greater

success both for individuals and for the whole. Positive Social Reform promises help not only to the industrial proletariat, but also tothe laborious and over-burdened classes of the small proprietors, artisans, workers in home industries, and day labourers. It is, however, a complex whole, consisting of many measures which would work harmoniously with each other, and which thus would make all *Antisemitism* superfluous. Not one of them constitutes a radical change or requires an apparatus of bureaucratic stringency to guard it. The worthy achievements of the liberal capitalistic epoch not yet deceased, need not be sacrificed to positive social reform, nay more than this, it is by its means that they are rendered effectual in reaching all. Personal freedom and equal rights for all will become a realized fact for all, without the exclusion of the higher remuneration and compensation which is due to the aristocracy of personal merit, by the utilization of clubs, unions, and professional associations, and other customary institutions of private right, including the School, the Church, the Corporation and the State. In the same way we perceived the possibility of freeing the proletariat of all grades from

routine and bondage to the soil, the practicability of endowing everyone with some share of property and of the sources of rent, as well as of effecting the rise of merit even from the proletariat up to any height on the social ladder, further the means of satisfying the most burning ambition in those who still remained wage-labourers, and lastly, the possibility of supplementing capitalistic distribution of wealth by universal reciprocity and benevolence. All this and much else which has been touched upon can be attained without endangering at any essential point the guidance of Production by Capital. Positive Social Reform, therefore, far surpasses both private assessment Socialism and public Collective Socialism in the success attainable by it and in the simplicity of its means. The State would not be forced to overstep in any direction its natural limits as a central organ of will and of force: in the special politico-social branch of its administration it can always limit itself to the necessary central restraints, incitements, and regulations for organization which are indispensable for the avoidance of disturbances in the fertile production and activity of

individual freedom. Neither extreme Individualism nor extreme Collectivism is what we need, but the freeing of the individual by means of statutory and institutional compulsion on the part of Society, and the progress of the Society by means of the free labour of individuals. Nor do we need to revert to obsolete types of social organization. Our methods and forms are not borrowed from the feudal and police institutions of a departed age. They have, in common with such, nothing but the fact that they are positive organizations within which individual freedom and equality work with fruitful results in a rightly ordered struggle for existence. Moreover, in their special characteristic of national extension they are better marshalled, specialized, and differentiated, than older forms. They pour new wine into new bottles, and they thus attain a far greater fullness of true freedom, equality, and brotherhood.

If we look back upon the comparatively short time which has elapsed since these letters were first sent you, containing the same ideas as now, we cannot fail to recognize that history has already made and is daily making powerful strides in these very directions of

positive Social Policy which I have indicated. The provisional settlement of German Labour Insurance, the powerful impulse given to Labour-protection by the Emperor William II., the progressive organization of both classes into their respective unions for settlement of labour-terms, the evident endeavour of Continental trade-policy after greater freedom and wider range both in commerce and industry, this and many other signs of active progress yield a welcome corroboration, and that on a large scale, to that view of Social Policy which I had the honour to lay before you as early as the year 1870. But most welcome of all are the clearly discernible leanings of Old Liberals and Old Conservatives towards that very positive Social Policy which was formerly so repugnant to them.

Only Social Democracy itself is not yet converted. But even now that in Germany it has just escaped from the heavy fetters of exceptional legislation, it maintains a practical Party Programme against the more scientific but wholly unmanageable Programme of extreme Communism: indeed, to do otherwise would be to court certain dissolution. The

most cultivated man of the whole party has lately even anathematized the Atheistic Propaganda within his party although his own friend has been the Pope thereof. In the question of the Eight Hours Day, all reference to the Collectivist Normal Labour Day has been dropped, and in Parliament the party takes its share in practical legislation. This whole moderation of demeanour may be calculated, seeing that the party is engaged in carrying the agitation to the country with the prospect of gaining hundreds of thousands of fresh votes. But even the more moderate leaders will not demolish the sanctuary of their Social Democratic belief. Nor do I deplore this fact. Social Democracy must remain and must grow until it has compelled existing Society to undertake positive Social Reforms all along the line, and to carry them through energetically and without delay, a consummation which has by no means been arrived at yet.

In reference to the two points, especially, which to me seem the most important—in the development of the law of transfer of real estate for the purpose of getting rid of loads of debt incurred from inheritance or purchase, in the

interests of the larger portion of productive national labour, *i.e.*, the peasant-class, and secondly in the development of constitutional right, Imperial, Provincial, and Local, to meet the requirements of the times—hardly anything has yet been accomplished, in spite of property-registers, rights of next of kin, and "homestead-legislation." I cherish the cheerful anticipation that this very extension of social democratic agitation into the country, this fever-heat of electoral agitation, these votes for the labour-party increasing with each election, will have just the necessary effect of compelling positive Social Policy to enter upon these most essential tasks. Here, again, Social Democracy will prove itself to be the spirit which, by negation, brings to pass positive good.

When once it has fulfilled its mission of stirring up positive Social Policy all along the line, it will then have brought it to pass that even the proletariat will leave the dream-dove of the future to brood upon the roof of the Socialistic State, and will sit down contentedly to pluck the fruits of reform now well within their reach, and brought there mainly by the driving force of the attacks of Social Democracy.

Even then the present camp of the Social Democrats will not be entirely broken up. *The greater number will become the fighting army of the most Radical reform*, and this extreme left of a positive Social Policy will become *the leaven of progress, and act as a counterpoise against any reaction into the* laissez aller *of Liberalism, thus performing the best possible service to the cause of social advancement.*

On the strength of the foregoing lines of reasoning I now pronounce my conclusions with the unshaken assurance of a thoroughly considered conviction.

As the party of thorough-going social reform, Social Democracy, even if it did not change its name, would be no longer essentially Democratic Collectivism, and would at once cease to be dangerous: as the party of Democratic Communism, it is and will remain—impossible.

APPENDIX TO LETTER III.

January 10, 1891.

HONOURED FRIEND,

I have just received your last communication, in which, while fully approving my efforts, you ask for a further addition by way of Appendix to the third letter.

You are, you say, entirely in agreement with the main contents of my three letters; you hold that democratic, and especially communistic-democratic communism is impossible, in the sense that it is impracticable and incapable of continued existence. You recognize fully on the one hand the danger of revolution in case a positive social and constitutional policy should not do its duty by tempering universal suffrage with supplementary representation through

the communal-corporative structure of the latest social forms: for however much the proletariat, united in their hatred of Capital, may appear to you incapable of positive construction, you yet recognize that a revolutionary attempt might be productive of even greater destruction, than took place in the risings of the Spartan Helots, in the Roman slave-outbreaks and in the German peasant wars through the exploited and down-trodden masses of destitute labourers. But now you would like to know how I picture to myself the industrial world of the year 2000, under the supposition that meantime the progress of technique should celebrate future triumphs, that positive Social Reform should reap an ample harvest, and that universal suffrage provided with due constitutional restraints should continue to give a powerful impetus to the improvement of all social conditions. Bellamy's seductive romance "Looking Backward," of which more than three hundred thousand copies have already been circulated, has, it seems, fascinated your friends of both sexes!

Now I frankly confess that the curiosity of your friends places me in a position of no

small embarrassment. No writer is less fitted than I to set about inventing a Social romance in competition with Bellamy. Besides, you do not ask for a romance, but the approximately actual fact, to which we may expect to look forward. Now "the times of God are his secret," and the forms and organizations of a far distant Social future no less. The desire of your friends is very natural, but the fulfilment of it passes human capabilities.

Pray put a damper upon their curiosity by asking them whether they suppose that they, if they had fallen asleep in a trance, as did Bellamy's hero, in that very different Austria before the days of Maria Theresa, waking in the year 1900, would be able to comprehend the altogether new Austria of to-day! Austria was then a large but loosely connected territorial empire; to-day it is a modern twin-state. The central State-activity was then very slight, as the military and financial arrangements of that day prove. All the manners, family life, the life of science, art, and religion, were incomparably different. There was no question of constitutional rights in the diets or of the parliamentary system of to-day. The difference

in the state of affairs and the extreme poverty and scantiness of public life from 1706-1740 is shewn by the fact that the State-debt, and its expenses, military and civil, absorbed yearly only 30 million florins, and that at the accession of Maria Theresa the National Debt amounted only to 50 million florins. (1) If in those days anyone had written a political romance foretelling approximately the state of things to-day, he would have been regarded as a fantastic dreamer, perhaps as a fool.

Nevertheless, we have to-day for a smaller total territory, with, of course, a much denser population, an expenditure thirty times as large, and a national debt a hundred times greater! And yet your conservative friends expect me to prophesy concerning the actual result of the period which will end in the year 2000, and which bids fair to be far richer in new forms, far more creative in invention, infinitely more rapid in living than any which has gone before. Their expectation is one which cannot be fulfilled.

(1) Cp. The Finances of Austria, 1701—1740, Von Mensi Vienna, 1890.

But if you wish to know what I think of the idealism which pervades Bellamy's romance, and how much of it I hold to be possible, taking the very best view of things, I will speak frankly enough on this score: yet in what I have to say you will find only the strict conclusions suggested by the whole fundamental view contained in these three letters.

I must first of all remind you that Bellamy gives no practically conceivable organization to his State of the Future. A great part of his success is due to this, that he does not weary his readers with such hypothetic forms of organization of collective production as I have attempted to suggest in the third volume of my "Structure and Life of the Social Organism," or as may be constructed out of the writings of Rodbertus. Moreover, Bellamy leaves untouched the existing marriage relations and religion, to which, added to the charm of his presentation, a further portion of his success is owing. Bellamy is undoubtedly a Communist, as regards distribution of products; for each individual receives the same yearly credit-card, with the same number of products claimable according to his choice from the public

magazines. Yet Bellamy is not a Democratic Communist, he is no Social Democrat. He is an aristocrat and authoritarian of the strictest order. His notion is of a society of mandarins, medallists, and labour officers, such as no Democrat could tolerate, and which I myself—seriously trying to picture myself as critically reflecting on the morning of the 26th December, 2000—assuredly could not accept, although I regard a purely Democratic Collectivism as practically and for ever impossible. Bellamy does not give us the slightest hint as to how—especially under the conditions of American Democracy—he will provide a constitutional basis for his State of labour-mandarins, medallists, and examiners of work, as well as for the preponderating influence of old age and so on. Bellamy is only a Communist and stickler for equality with reference to the distribution of material goods; as regards distribution of honours, power, authority, and feminine charms he is an aristocrat from top to toe, and to this fact again must be ascribed some of his success.

Only in his aristocratic tendencies he seems to me very unpractical: for however conceivable it is that with advancing civilization

new forces besides the desire to gain will be set at work to induce zeal in the service of the whole, I yet do not believe it possible that on the one side in the sphere of industrial work and pay the merely material proportion between performance and enjoyment will ever quite disappear, while, on the other hand, side by side with this Communism of material goods, so great an inequality subsists in reference to the ideal goods of life, and that out of these two conditions will spring so luxuriant a growth of virtue, industry, and productivity. In his lofty and inspiring ethical anticipations, Bellamy is as optimistic as the most radical Social Democrat, without being as consistent in his pursuit of equality. Bellamy also soars too high into the regions of a primeval angel-nature, once inherent in man, and only overgrown and spoiled by family and industrial selfishness, and he altogether underrates the necessity for giving all individuals a material interest in the result of labour, and of carrying on in a higher form the old struggle for existence. Bellamy, it is true, will have the maintenance and perfection of division of labour and of all professions among all individuals between the ages of 21 and 45; but

he thinks far too lightly of the task of distributing the whole forces of labour, including all the various branches in the most economical manner possible by a mere system of State-tests, and authoritative orders and instructions, and without any of the inducements or deterrents of a rising and falling rate of service-payment respectively. There are other critical objections I could make, but I must beg you to consider them yourself. For the benefit of your friends of both sexes, I will only remark that I have as little belief in the Aristocratic Communism of the honest Doctor Leete, of the charming Edith, and of the newly awakened H. West of Boston, in the year 2000, as I have in the victory of Democratic Communism, such as was designated in the Gotha Programme of our Social Democrats. "Looking Backward" charmed me as a romance, but as a possible condition of the future it did not in the least convince me.

But although the fair prospects of "Looking Backward" fail to rouse me to any warmth, yet a positive outlook upon the year 2000, even as I conceive it, leaves me quite as cold. The utmost I can do for you is to avow in explicit

terms what I do consider possible. I think it possible that by that time there will have been a slow and gradual development of public management of many departments of business, in industry, trade, mining and so on, which to-day are directed by private capital, and that thereby—as compared with the industrial and commercial Capitalism of to-day—a very considerable economic progress will have been made: further, I think it possible that the valuation and appraisement of commodities and services as it takes place to-day will have been succeeded by a more regulated system of rating, practically satisfying the criticism of the industrial and commercial Capitalism of to-day, which Bellamy has given us in the form of a political romance. I hold it possible that by the year 2000 such a more public economic system may be manageable, and may effect a progress to a far better state of things in certain spheres than we have in the industrial and commercial Capitalism of to-day, as well as reacting beneficially on the private production which will even then still be the rule in agriculture. If in the course of a long period of time public management were to take the field to

any very large extent, it would be essentially through the agency of Capital itself, and by the process of converting competition into monopoly both in industry and commerce: but this would mean that it had ultimately degenerated, either severally in its parts, or by association, into an intolerable money-slavery, both dangerous and harmful to the commonwealth, bringing ruin to the greater number of employers, and bondage to the labourers. It is not probable that Capital will ever reach such a self-destructive stage, but even should it do so the State by the year 2000 would, there is no doubt, have a constitutionally tempered universal suffrage quite sufficiently at its command to check without revolution the consequences of this self-survival. Female labour will by that time probably have attained a well regulated organization. Protection of labour will have been carried to a far higher development. The inequalities of wealth and income will have been considerably modified: the disappearance alike of enormous properties and of the hosts of destitute poor will have been succeeded by, and have rendered technically possible an incomparably higher and better-

to-do average condition of the entire people. But then the professional differentiation of all social functions must have been carried to a height never before attained, and the separate individual development of each have been set fully in harmony with the interest of the whole. I have thus but little to change of the opinions expressed in the third volume of my "Structure and Life of the Social Organism." Nor do I see anything which is calculated to inspire alarm in the prospect of such a development, proceeding not upon the storm wind of universal revolution, but slowly by way of never ceasing reform. I have no faith in the millennial realm of Democratic Communism, in the fabled social kingdom which is to give everything equally to all, to dispense with government and aristocracy, to be rid of all established professional differentiation and all private gain, and, instead of elevating, altogether to destroy the efficacy of the struggle for existence. Such a faith, I say again definitely and with conviction, is a mere bigotry and superstition, and as uncouth a one as has ever been cherished in any age.

I have said only that I regard this progress

by the year 2000 as *possible*. Whether it will *actually* be accomplished or not, depends upon whether any Communistic outbreak occurs in the meantime, and whether international relations take a favourable and peaceful course. The international brotherhood, which democratic Communism is forming, represents a danger which we may not under-estimate. Still, property is already being compelled into similar combinations, and governments are already stretching earnest hands to each other with a view to Politico-Social action. It may be that these very facts will draw the nations of the world closer to each other, and subserve the purpose of Political and Social peace, thus helping to work out new and better conditions, both Political and Social, which are betokened by the olive-branch of the "Apostles of Peace," longed and striven for by conferences of learned men, artist-souls, and hygienic reformers, but which such as these cannot alone avail to bring about.

May these things be! But will they? Who can tell? In any case, let us not seek any further to puzzle the heads of our—great-great-grandchildren!

THE END.

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00027085

Digitized with financial assistance from the
Government of Maharashtra
on 23 January, 2019